The Certificates referred to herein are being offered in Canada but not in the United States of America. This Prospectus is not and under no circumstances is to be construed as an offering in the United States of America or the territories or possessions thereof, or an offering to any resident thereof or a solicitation therein of an offer to buy.

NEW ISSUE

$648,000

Canadoil Production Finance Ltd.

5% Canadoil Production Note Certificates

(ANOCO Series A)

To be dated June 15, 1955 **To mature June 15, 1963**

Assignor:

Canadoil Production Finance Ltd.

(Incorporated under the laws of Canada)

These Certificates represent unit interests in a secured note purchased by the Assignor from American Northland Oil Company (hereinafter referred to as "Anoco") and associate for the purpose of providing Anoco with funds for drilling wells and developing oil reserves considered proven on portions of Sections 17 and 20 of Township 45, Range 6, West of the Fourth Meridian, Province of Alberta, Canada.

Principal and half-yearly interest (June 15th and December 15th) payable in lawful money of Canada by The Toronto General Trusts Corporation (hereinafter referred to as the "Trustee"), agents for the Assignor. Certificates in fully registered form only, in denominations of $1,000 redeemable in whole or in part at 100 and accrued interest in accordance with the terms of the Deed of Assignment to the Trustee by Canadoil Production Finance Ltd.

The said Secured Note is assigned to The Toronto General Trusts Corporation (the "Trustee") by Canadoil Production Finance Ltd. "without recourse" and provides the holder of any Certificate with a direct obligation of Anoco; it being understood that there is no recourse against the Assignor (Canadoil Production Finance Ltd.) on account of the said Secured Note. Similarly, the 6½% gross overriding royalty hereinafter referred to has been assigned to The Eastern Trust Company (the "Trustee") by Canadoil Production Finance Ltd. "without recourse" and provides the holder of any Certificate with a direct obligation of Anoco; it being understood that there is no recourse against the Assignor (Canadoil Production Finance Ltd.) on account of the said royalty.

SINKING FUND AND REDEMPTIONS

The Deed of Assignment provides for monthly payments by Anoco and associate of a sum equal to a minimum of 60¢ and a maximum of 90¢ per barrel of the net oil production of the previous calendar month from all wells placed under the terms of the Indenture between Anoco and Canadoil Production Finance Ltd. which forms the basis of such deed of assignment. After deductions for interest and administration charges and amortization of preliminary expenses, the remainder of the funds so provided will be applied by the Trustee to the redemption of the Production Note Certificates. Certificates shall be drawn by lot on or about the 15th day of each month in which the Trustee shall have $5,000 or more available for redemption purposes.

Canadoil Production Royalty Income Units

(ANOCO Series A)

Accompanying each $1,000 Production Note Certificate, in definitive form, when originally issued, will be a Canadoil Production Royalty Income Certificate, (Anoco Series A) representing a one-eight hundred and fiftieth (1/850) interest in a 6.5% gross overriding royalty from the entire production of all wells placed under the terms of the Indenture referred to herein.

Royalty Income Certificates shall be detachable, fully registered and transferable. Holders shall be entitled to receive annual pro rata royalty payments commencing December 15th, 1955, as long as sufficient distributable funds are in the hands of the Trustee.

Trustees, and Agents for the Assignor:

For the Production Note Certificates
THE TORONTO GENERAL TRUSTS CORPORATION
Montreal, P.Q., and Calgary, Alta.

For the Royalty Income Certificates
THE EASTERN TRUST COMPANY
Montreal, P.Q., and Calgary, Alta.

We, as principals, offer these 5% Canadoil Production Note Certificates, (Anoco Series A) if, as and when issued and accepted by us, subject to prior sale or change in price and subject to the approval of all legal matters by our Counsel, Messrs. Howard & Stalker, Montreal, who are also Counsel for the Assignor, and by Messrs. Tilley, Carson, McCrimmon & Wedd, Toronto, Counsel for Anoco and associate, which Counsel will, in respect of their opinion on said Certificates, rely upon the opinion of local counsel as to the said oil companies' title to the properties and other matters of local law in the Province of Alberta.

PRICE: 100 and accrued interest to yield 5%

It is expected that Certificates in interim form will be available for delivery on or about June 15th, 1955. Subscriptions will be received subject to rejection or allotment in whole or in part, and the right is reserved to close subscription books at any time without notice.

H. C. Flood & Co. Limited

INVESTMENT DEALERS

360 St. James St. W.

MONTREAL

PL. 4871

(LETTERHEAD)

CANADOIL PRODUCTION FINANCE LTD.

Montreal, Que.
June 10, 1955.

H. C. Flood & Co. Limited,
360 St. James Street, West,
Montreal, P.Q.

Dear Sirs,

In connection with the offering of $648,000 of 5% Canadoil Production Note Certificates, (Anoco Series A), I have pleasure in providing the following information:

THE COMPANY

Canadoil Production Finance Ltd. (hereinafter referred to as the "Company") was incorporated under the laws of Canada on November 30, 1954. One of its purposes is to provide established oil companies with funds necessary to develop acreage considered proven. It is planned that this shall be done through the purchase of Production Note Certificates secured by a charge against the production of the wells financed and that these Certificates shall be conveyed to a recognized trust company, as trustee, unitized and offered to investors.

PRODUCTION LOANS

In the United States the granting of secured loans to be repaid out of the proceeds of the sale of oil production is a well established and common practice. The record of safety has been so close to 100% that for many years such paper has been keenly sought by banks, insurance companies, endowment funds and all manner of lending institutions.

In Canada the chartered banks make production loans under certain conditions, but it is considered that a demand exists for financing outside of the range covered by present banking facilities.

ANOCO SERIES A

The Company has purchased from American Northland Oil Company (hereinafter referred to as "Anoco") a Secured Promissory Note in the face amount of $648,000 issued partly to cover the cost of drilling and completing up to twenty producing oil wells on leaseholds held by Anoco and Wainwright Producers & Refiners Limited (hereinafter referred to as "Wainwright") on portions of Sections 17 and 20, Township 45, Range 6, West Fourth Meridian, Province of Alberta, and partly against the security of four presently producing wells in Section 20.

This area is in the Wainwright medium gravity oil field and comprises 370 acres, undeveloped, but considered proven to the extent of 1,513,369 barrels of net recoverable oil and in addition 80 acres, developed, with an estimated 319,148 barrels of net recoverable oil. A geologist's report is attached hereto.

Anoco has undertaken to accept a total of $69,120 against the four producing wells mentioned above and a fixed amount of $27,000 per completed well for the sites to be drilled. As soon as the next producing well has been certified by an independent geologist as a producing well and placed under the terms of the Indenture, dated as of June 15th, 1955, between the Company and The Toronto General Trusts Corporation, (hereinafter referred to as the "Trustee") $27,000 will be released to Anoco by the Trustee. Upon the certification of each subsequent well a further $27,000 shall be released until, in addition to the aforementioned $69,120, a further $540,000 has been turned over. $609,120, the total of this amount, will be the net proceeds of this offering of Production Note Certificates. It should be noted that no funds will be released against the cost of non-productive wells or against costs in excess of $27,000 per well drilled. Under certain conditions, Anoco and Wainwright shall have the right to substitute other producing wells for the above mentioned drill sites and shall be entitled to draw down $27,000 per producing well so substituted. Such substitutions may only be made with the consent of Canadoil Production Finance Ltd. and upon certification by an independent geologist that the producing well so substituted is located on a site with equal or better reserves of recoverable oil than the site for which substitution has been made.

Associated with Anoco in this borrowing is Wainwright which has an undivided and equal interest with Anoco in the acreage concerned and is jointly and severally liable with Anoco for one-half of the Production Note Certificate and one-half of the 6½% gross overriding royalty; Anoco being solely liable for the balance.

SINKING FUND AND REPAYMENT

Commencing in July, 1955, with production from the four presently producing wells referred to above and continuing until the Production Note Certificates are redeemed in full, Anoco will pay to the Trustee a minimum of 60¢ and a maximum of 90¢ per barrel of the net oil production from all wells placed under the terms of the Indenture. The amount of the payments shall be determined as follows:

Where the Posted Field Price of the Oil is	The Payment per barrel shall be
In excess of $1.39 per barrel	$0.90
Between $1.39 and $1.25 per barrel (both inclusive)	$0.80
Between $1.24 and $1.10 per barrel (both inclusive)	$0.70
Less than $1.10 per barrel	$0.60

On the basis of the present price of approximately $1.50 per barrel the payment per barrel would be at the maximum of $0.90.

Payments will be made monthly and the Trustee will deduct therefrom sufficient sums to cover interest and administration charges and amortization of preliminary expenses. Remaining funds shall be applied by the Trustee to the redemption of the Production Note Certificates hereby offered and to accomplish this, Certificates will be drawn by lot on or about the 15th day of every month in which the Trustee shall have $5,000 or more available for the purpose.

Notice of redemption of Certificates will be mailed to registered holders who will receive payment in full upon presentation of such Certificates at the offices of the Trustee in Montreal or Calgary. On redeemed Certificates, interest shall not accrue beyond the effective redemption date.

Joseph S. Irwin, E.M., Geologist of Calgary, Alberta, has estimated that each of the wells to be placed under the Indenture may be expected to produce an average of 20 barrels of oil per day during the period when the Production Note Certificates will be outstanding. If this rate is achieved, and if the oil is sold at present prices, redemption of the Production Note Certificates should be completed in from five to six years. It must be realized, however, that this is a pre-drilling estimate based only on the experience of other wells in the area.

SECURITY

The Anoco Production Note Units represented by the Certificates offered hereby are the direct and general obligations of Anoco to Canadoil Production Finance Ltd. which includes by assignment a joint and several direct and general obligation (for one-half of the total at any time outstanding) of Wainwright to Anoco. These obligations are evidenced by Deeds of Indenture which contain the unrestricted promises to pay by both companies together with covenants pledging as additional security all of the production of the wells to be placed under the terms of the Indenture. This pledge of production is registered by caveat against the properties involved and constitutes a first charge and lien upon the said oil production subject only to gross royalty payments.

Canadoil has in its turn conveyed to the Trustee its right, title and interest under the aforesaid documents with the result that the obligation on the Certificates is direct and not an obligation of Canadoil Production Finance Ltd.

Certified copies of the above documents may be inspected at the office of the Company or at the offices of the Trustee, The Toronto General Trusts Corporation in Montreal or Calgary.

MARKETS FOR THE OIL

Oil from the Wainwright field is of medium grade and runs from 21° API gravity to 24° API gravity. It is of an asphalt base and suitable for the manufacture of a wide range of products from gasoline through distillate, jet fuel, diesel oil, road oil to heavy fuel oil. It is currently sold to several refineries in Alberta, but to provide additional security for the Production Note Certificates a contract has been entered into with Wainwright which has agreed to take, for a period of 10 years (or until the Production Note Certificates are fully paid off, whichever shall be the longer) and at posted market prices (as defined in the Indenture), the entire output of all wells placed under the Indenture. This is particularly important in view of the close proximity of this refinery to the wells (under 4 miles) and the resulting beneficial effect on wellhead prices.

ROYALTY INCOME UNITS

As additional consideration for the purchase by the Company of Anoco's Secured Promissory Note, the Company has received from Anoco and Wainwright a grant of a 6½% gross overriding royalty on all production of gas and oil from all wells placed under the Indenture. This royalty has been assigned by the Company to the Eastern Trust Company as Trustee, and has been divided into 850 units. One Canadoil Royalty Income Certificate, representing one Canadoil Production Royalty Income Unit, will accompany each $1,000 Production Note Certificate when originally issued. The royalty will be administered by The Eastern Trust Company which will collect the monthly royalty payments, deduct therefrom sufficient to cover other charges and make an annual payment to the registered holders whenever sufficient distributable funds are available to permit a payment of at least $1.00 per unit. It is expected that the first such annual payment will be made on December 15th, 1955 and that payments will continue thereafter for as long as the wells produce.

Due to the several unknown factors involved, any present estimate of the value of these Royalty Income Units must not be considered accurate. However, if an average production of 20 barrels per well per day is achieved and the present price of $1.50 per barrel is maintained, the annual payment per unit should approximate $17.50 which amount would be subject to decline over the life of the wells.

For your further information we attach hereto the consolidated financial statements of Anoco and its subsidiary, Wainwright.

Anoco is a California corporation with interests in Alberta at Lloydminster, Wainwright, and Leduc. Wainwright, an Ontario corporation, owns and operates a modern refinery at Wainwright, which is on the main line of the C.N.R. The refinery has a capacity of 3,000 barrels per day and the company owns some 3,500,000 barrels of proven and probable oil reserves in the surrounding area.

Yours very truly,

CANADOIL PRODUCTION FINANCE LTD.

(Signed)

JOHN C. ROGERS,
President.

JOSEPH S. IRWIN, E.M.
Consulting Geologist

812 Lancaster Bldg.,
Calgary, Alberta,
6 June, 1955

American Northland Oil Company,
Wainwright Producers & Refiners Ltd.,
127 Montgomery Street,
San Francisco 4, Calif.

Re: Oil Reserves and Development
Wainwright District, Alberta

Sirs:

We present herein our estimate of remaining recoverable oil from leaseholds and interests owned jointly by American Northland Oil Company and Wainwright Producers and Refiners Limited, in the Province of Alberta, and our report as to the development status thereof as follows:

1. Parts of Sections 17 and 20, Township 45, Range 6, West of 4th Meridian

(a) AREA CONSIDERED PROVED

The area which we consider proved for oil production comprises 450 acres described as follows:

SECTION 20, TWP. 45, RGE. 6, W4M
Lsds. 1, 2, 3, 4, 5, 6, 9(SW¼), 10, 11, 12(SE½).

SECTION 17, TWP. 45, RGE. 6, W4M
Lsds. 11(N½), 13(NE½), 14(W½), and 16.

Of the above described area, 80 acres have been developed by the drilling of four producing oil wells, namely No. 1-D-2, 2-D-4, 8-D-5 and 9-D-3.

Our estimate of remaining recoverable oil at end of April 1955, from the before-mentioned developed 80 acres is 319,148 barrels after deduction of royalties.

The remaining 370 acres of the before-mentioned 450 acres are proved but undeveloped, providing space for 18 or 19 wells. From this undeveloped proved area we estimate recoverable oil, after deduction of royalties, to be 1,513,369 barrels.

Total estimated remaining recoverable oil from area considered proved in Sections 17 and 20, is 1,832,517 barrels, after deduction of royalty.

These estimates are based on present well spacing practice of 20 acres per well. We believe that oil recovery could be accelerated by drilling one well to 10 acres. However, in our opinion, substantial additions to proved reserves and to daily aggregate yield can be so easily obtained by step-out drilling in your proved and probable leaseholds that closer well spacing is neither advisable nor necessary at this time.

(b) AREA OF PROBABLE PRODUCTIVITY

Of the remaining unproved and undeveloped area, we estimate that 90 acres will probably yield 375,429 barrels after deduction of royalty.

2. Parts of Townships 44 to 47, Ranges 5 to 8, West of 4th Meridian

In addition to the properties referred to in paragraph 1 hereof, there are 1200 acres of leaseholds owned jointly by American Northland Oil Company and Wainwright Producers & Refiners Limited surrounding the said properties, all being within Townships 44 to 47 inclusive, Ranges 5 to 8 inclusive, all West of the 4th Meridian, which we consider proved.

Our estimate of remaining recoverable oil at end of April, 1955, from this area of 1200 acres is 2,408,610 barrels before deduction of royalties.

PROBABLE AREA

In addition to the acreage considered proved for oil productivity, and in addition to the properties referred to in paragraph I hereof, it is our opinion that 980 acres will probably be found productive in varying degrees, that is to say in the order of 1800 barrels per acre on 400 acres in the Original Wainwright area; 2000 barrels per acre on 200 acres in the N.E. Wainwright area; 4,356 barrels per acre on 300 acres in the extension area (W½ Section 32, Twp. 45, Rge. 6, W. 4M.); and 2,400 barrels per acre on 80 acres in the North Baxter Lake area, employing a well spacing of 20 acres per well in all cases. This probability, if realized, would add 2,618,800 barrels to the estimated reserves on present leaseholds before deduction of royalty.

POSSIBLE AREA

In addition to the estimated proved and probably productive leases amounting respectively to 1,650 and 1,070 acres (total 2,720 acres) Wainwright Producers and Refiners and American Northland Oil Company own jointly and equally and have under option, approximately 32,200 acres of petroleum and natural gas leases in the surrounding district included in Townships 44 to 47, Ranges 5 to 8, W.4M. Two dry holes, American Northland Wainwright No. 14-7 on Lsd. 7, Section 34, Township 44, Range 6, and American Northland Wainwright No. 15-10 on Lsd. 10, Section 3, Township 45, Range 6, disprove the productivity of their immediate vicinity, but the remaining 32,000 (approximate) acres should in our opinion, be considered to have possibilities for discovery of oil and gas producing localities similar to those recorded and estimated herein.

RECOVERY EFFICIENCY

In most instances we have used a 20% recovery factor, that is to say that we estimate that 20% of the estimated oil in place in the reservoir stratum will be recovered. In some cases we have used a 17% recovery factor. These factors are believed to be realistic due to the fact that on the basis of our estimate of 22,360 barrels per acre oil content, and assumption of 20 acres drainage area per well (20 x 22,360 = 447,200 barrels) the average recovery per well to end of March, 1955, as between British Petroleums Well No. 3B and Sasko Wainwright Well No. 1 (84,399 barrels) results in 18⅞% recovery. These two wells are old wells immediately adjacent to Section 20, therefore their experience is highly pertinent.

ROYALTY

Since Crown (Government) royalty is computed on a sliding scale varying with amount of monthly production, it is necessary to base royalty estimates on assumptions. It is herein assumed, unless known in the case of producing wells which exceed the minimum, that the production of each well will be 600 barrels or less per month (20 barrels or less per day). This amount incurs the minimum 5% royalty. To this basic royalty is added overriding royalty of 6% throughout most of Section 20, which results in total royalty deduction of 11%.

Two wells, No. 1-D-2 and No. 2-D-4 are presently averaging more than 20 barrels per day and their current royalty rates, including 6% override, are respectively 12.3% and 14.6%. It is to be expected that some of the forthcoming wells will exceed the 20-barrel daily rate, and therefore that the incurred royalty, including 6% override, will exceed 11%. Maximum possible royalty under present Government regulations on Crown leases, other than Lsds. 7 and 8, Section 20, Township 45, Range 6, including 6% override where applicable, would be 22⅔% for a well making 4,050 barrels or more per month (135 barrels or more per day).

On Lsd. 13, Section 17, only the Crown royalty is deductible. Assuming production of 600 barrels per well per month or less, the present royalty rate is 5%.

Respectfully submitted,

(Signed)

JOSEPH S. IRWIN, E.M.,
P. Eng.

— CERTIFICATE —

I, JOSEPH S. IRWIN, of the City of Calgary, Consulting Geologist, do hereby certify that:

1. My residence address is 2106 Seventh St. West, Calgary, Alberta.
2. I am a graduate of the School of Mines, University of Missouri. Degrees: B.S. 1912; E.M. 1922.
3. I have practised my profession as a geologist for 39 years.
4. I am registered as a Professional Engineer by the Association of Professional Engineers of Alberta.
5. I am a member of the American Association of Petroleum Geologists, Engineering Institute of Canada, Canadian Institute of Mining and Metallurgy, Alberta Society of Petroleum Geologists, and Geological Association of Canada.
6. I have no interest in the properties or securities of either American Northland Oil Company or Wainwright Producers & Refiners Limited, nor do I expect to receive any such interest.
7. The accompanying report is based in part on my personal examination of some of the Companies' holdings on various occasions during the period June 1951 to May 1955, on published Government reports and on my personal conviction about the Companies' holdings.

(Signed)

JOSEPH S. IRWIN, E.M., P. Eng.

DATED at Calgary, Alberta, this 6th day of June, 1955.

AMERICAN NORTHLAND OIL COMPANY

and its Subsidiary

WAINWRIGHT PRODUCERS & REFINERS LIMITED

Consolidated Balance Sheet as at December 31, 1954

Assets

CURRENT ASSETS:		
Cash on hand and in banks	$ 4,451.62	
Accounts Receivable		
Trade debtors, less reserve of $1,080.63	58,345.77	
Sundry debtors, less reserve of $487.00	22,049.97	
Inventories — at cost		
Refined products and crude oil	50,786.98	
Supplies, small tools, etc.	33,546.67	
Cash Deposits		
Montreal Trust Company, for use in present construction program	179,000.00	
Other cash deposits	4,250.00	
Securities — at market (Cost $19,000.00)	10,000.00	
Advances for Silver States Oil & Gas Corp.	10,041.40	$ 372,472.41
FIXED ASSETS (at cost)		
Canadian Oil Properties (Notes 2 & 3)		
Production equipment, drilling and lease costs, and undeveloped leases	$ 1,098,808.00	
Less accumulated depletion and depreciation	138,427.65	
	$ 960,380.35	
Land, Buildings, and Equipment (at cost)		
Drilling equipment and accessories, auto equipment, service rigs, furniture, etc.	$ 408,168.65	
Refinery buildings, old plant and equipment	294,794.33	
Tank cars, truck tanks, trucks, and drums	53,427.34	
	$ 756,390.32	
Less accumulated depreciation	314,855.62	
	$ 441,534.70	
New refinery under construction (Note 4)	864,736.65	
Land — Refinery site	4,012.00	
	$ 1,310,283.35	2,270,663.70
DEFERRED CHARGES:		
Prepaid operating expenses	$ 20,720.31	
Bond discounts, etc. — less amortization	98,405.74	119,126.05
ORGANIZATION & PROMOTION COSTS:		
Stock selling expenses, less amortization of $113,620.52 charged to Capital Surplus (Note 5)	$ 304,311.18	
Legal fees and incorporation costs	11,533.91	
Promoters' services represented by par value of capital stock issued therefor — contra	1,150,000.00	1,465,845.09
		$4,228,107.25

Liabilities

CURRENT LIABILITIES:		
Bank overdraft — secured by assigned receivables	$ 26,350.95	
Accounts payable — trade, lease rentals, royalties, etc.	114,529.97	
Notes payable		
To Canadian banks — secured by oil production	58,518.75	
To Continental Supply Co. — secured by chattel mortgage on two drilling rigs	117,414.70	
To Refinery Engineers Limited — unsecured	38,841.61	
Other notes payable — unsecured	5,812.62	
Contract payable on auto equipment	535.90	
Accrued liabilities		
Interest on First Mortgage Bonds	22,500.00	
Other accrued expenses	19,332.61	$ 403,837.11
DEFERRED LIABILITIES:		
To Fluor Corporation of Canada — due 2 years after completing construction of new refinery	$ 175,000.00	
To H. C. Flood & Co. — Balance due under contract for purchase of $85,000 of Wainwright bonds	65,442.36	240,442.36
FIXED LIABILITIES:		
First Mortgage, 6% Convertible Bonds — Due 1969		
Sold, issued, and outstanding	$1,000,000.00	
Less portion owned by parent company	85,000.00	915,000.00
INTEREST OF MINORITY STOCKHOLDERS IN CANADIAN SUBSIDIARY:		
Stock held by minority group, 132,266 shares	$ 132,266.00	
Pro rata in Capital Surplus (Note 7)	29,687.30	
Pro rata in Operating Deficit	(2,810.53)	159,142.77

Capital

CAPITAL STOCK — $2.00 par value per share (Note 6)		
Authorized 3,000,000 shares		
Outstanding		
Sold to public for cash, 877,850 shares	$1,755,700.00	
Issued for services by promoters, 575,000 shares	1,150,000.00	
	$2,905,700.00	
Add: Capital Surplus (Note 7)	229,320.98	
	$3,135,020.98	
Less: Deficit from operations	625,335.97	2,509,685.01
		$4,228,107.25

Approved on behalf of the Board of Directors:
MURRAY AHURA SCHUTZ, Director.
CHARLES PATRICK BREEN, Director.

ACCOUNTANT'S REPORT

The Board of Directors
American Northland Oil Company

I have examined the consolidated balance sheet of American Northland Oil Company and its Canadian subsidiary — Wainwright Producers & Refiners Limited — as of December 31, 1954, and the related consolidated statements of income and deficit for the four years then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly — except for its Canadian subsidiary — included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances. As to the Canadian subsidiary which was not examined by me, I have reviewed its financial statements and the report thereon of independent Chartered Accountants.

In my opinion, the accompanying consolidated balance sheet and statement of income and deficit, when read with the accompanying notes, is properly drawn so as to exhibit a true and correct view of the company's affairs at December 31, 1954, and the results of its operation for the four years then ended, in conformity with generally accepted accounting principles.

(signed) LEO C. McCANN,
Certified Public Accountant.

San Francisco, California.
April 23, 1955.

AMERICAN NORTHLAND OIL COMPANY

and its Subsidiary

WAINWRIGHT PRODUCERS & REFINERS LIMITED

Notes to Consolidated Financial Statements

(1) Principles of Conversion

Canadian assets and liabilities are included dollar for dollar in the balance sheet except for fixed assets and related reserves acquired prior to 1953 which are included at the rate of exchange in effect at the time of the acquisition of those assets. All transactions in Canadian funds in 1954 are set forth dollar for dollar in the balance sheet and income statement.

(2) Canadian Oil Properties

The Company has capitalized intangible drilling costs in its accounts but has elected to charge such costs to expense in its United States income tax returns. For Canadian income tax purposes, depreciation, depletion, and intangible drilling costs are computed on a basis consistent with Canadian tax requirements which are different from those used for United States income tax purposes.

Included in the costs are six gas wells costing $105,161.69 that are capped for lack of a present market for gas.

(3) The consolidated balance sheet eliminates inter-company accounts and profits on inter-company transactions as follows:

Assets decreased:

Canadian oil properties carried on the balance sheet of Wainwright Producers & Refiners Limited at $1,168,723.93 have been reduced in the amount of	$ 900,102.63
and increased by charges on the balance sheet of the parent company, not reflected by subsidiary, by	(13,599.06)
Bond discount has been reduced in the amount of	3,400.00
Investment in Wainwright Producers & Refiners Limited carried on the balance sheet of the parent company has been eliminated in the amount of	392,930.53
Total decrease of assets	$1,282,834.10

Liability and capital accounts decreased:

6% Convertible First Mortgage Bonds carried on the balance sheet of Wainwright are reduced by	$ 85,000.00
Notes payable to parent company appearing on Wainwright's balance sheet have been eliminated in the amount of	$ 201,783.73
Capital stock outstanding in Wainwright owned by the parent company is eliminated in the amount of	407,734.00
Capital surplus appearing on the balance sheet of Wainwright is reduced in the amount of	587,647.54
Increase in Deficit — representing charges by parent company not reflected in balance sheet of subsidiary	668.83
Total decrease of liabilities and capital	$1,282,834.10

(4) The total contract price of construction work on the new refinery plant is $945,000.00 of which $800,000.00 is paid or to be paid from cash held in trust by the Montreal Trust Company. The balance of $145,000.00 is to be covered by notes for a period of two years with interest at 6%.

(5) Stock Selling Expenses and Commissions

The Board of Directors of the Company adopted a resolution authorizing stock selling expenses and commissions on capital stock sold to the public to be amortized over a ten year period. The amount amortized to date has been charged to capital (paid in) surplus.

(6) Capital Stock

The authorized capital stock of the Company consists of 3,000,000 shares of the par value of $2.00 each. Under various permits issued by the California Commissioner of Corporations, the Company has sold for cash 375,000 shares at $2.00 per share subject to 20% commission expense, 502,850 shares at $2.50 per share subject to 20% commission expense, and has issued 575,000 shares to the organizers as full and final consideration for promotional services.
The organizers have executed an agreement with the Company whereby shares issued to them for promotional services under the above mentioned permits were placed in escrow when issued; and until the Commissioner by order will have released the stock therefrom, they waive rights attaching thereto, viz:

(a) To participate in any distribution of assets until all other stockholders shall have received the return of the full amount of the purchase price of their stock, and

(b) To receive any dividends until all other stockholders shall have received cumulative dividends equal to 5% per annum per share; thereafter all outstanding shares shall participate share and share alike to any additional dividends paid in any year.

(7) Capital Surplus is analyzed as follows:

	American Northland Oil Company	Wainwright Producers & Refiners Limited	Total
Capital surplus — as per individual statements	$137,804.48	$708,851.34	$846,655.82
Deduct			
Difference between cost basis of properties to American Northland Oil Company transferred to Wainwright Producers & Refiners Limited on 3/18/54 and the values set up by the latter company		(900,102.63)	(900,102.63)
Add			
Difference between par value of stock of Wainwright Producers & Refiners Limited owned by American Northland Oil Company, and the actual cost thereof to the latter company		312,455.09	312,455.09
Total	$137,804.48	$121,203.80	$259,008.28
Minority interest	—	29,687.30	29,687.30
Interest of parent company	$137,804.48	$ 91,516.50	$229,320.98

(8) Deficit from operations is analyzed for the three years ended December 31, 1954 as follows:

	American Northland Oil Company	Wainwright Producers & Refiners Limited	Total
Deficit January 1, 1952	$ 82,685.85	$132,153.85	$214,839.70
Net Loss 1952	57,723.91	27,004.91	84,728.82
Deficit December 31, 1952	$140,409.76	$159,158.76	$299,568.52
Net loss 1953	278,138.84	17,334.40	295,473.24
Deficit December 31, 1953	$418,548.60	$176,493.16	$595,041.76
Under supplemental letters patent dated January 29, 1954, Wainwright Producers & Refiners Limited was authorized to decrease its capital stock by $175,382.89 of which $851.34 was credited to Capital Surplus and the remainder credited to Deficit		(174,531.55)	(174,531.55)
Prior year adjustments made in 1954 — net credit to Deficit		(212.65)	(212.65)
Net loss 1954	198,123.41	9,056.70	207,180.11
Deficit December 31, 1954 per separate balance sheets	$616,672.01	$ 10,805.66	$627,477.67
Adjustments in consolidation of statements of the two companies as of December 31, 1954		668.83	668.83
Elimination of minority stockholders pro rata share of Deficit at December 31, 1954		(2,810.53)	(2,810.53)
Deficit December 31, 1954 per consolidated balance sheet	$616,672.01	$ 8,663.96	$625,335.97

AMERICAN NORTHLAND OIL COMPANY

and its Subsidiary

WAINWRIGHT PRODUCERS & REFINERS LIMITED

Consolidated Profit and Loss Statements for the years 1952, 1953 and 1954

	1952	1953	1954
Revenue			
Sales of refined oil products	$109,051	$264,416	$293,361
Sales of oil produced from wells	99,965	140,613	131,635
Contract drilling for others	435,724	197,686	189,514
Revenue from equipment rental, trucking and pumping for others	13,993	36,005	53,235
	$658,733	$638,720	$667,745
Expenses			
Cost of refined oil products sold			
Crude oil purchases less inventory	$ 75,654	$182,195	$185,235
Refinery expenses	21,495	53,675	74,477
Cost of oil produced from wells			
Producing property expenses	56,582	77,859	42,216
Royalties and lease rentals	10,058	40,072	6,225
Cost of contract drilling	326,970	211,345	177,895
Trucking and delivery expenses	18,065	38,583	50,537
Geological and other costs	6,953	8,474	16,746
Depreciation and depletion	107,678	72,525	108,547
	$623,455	$684,728	$661,878
General and administrative expenses	117,065	141,267	141,317
Interest expense	9,174	17,229	23,253
	$749,694	$843,224	$826,448
Loss on regular operations	($ 90,961)	($204,504)	($158,703)
Other income	6,233	1,836	44,781
	($ 84,728)	($202,668)	($113,922)
Other charges			
Suspended wells and abandoned leases		87,089	78,258
Loss on sale of capital assets		5,716	
Loss on outside oil investments			15,000
Net loss for year	($ 84,728)	($295,473)	($207,180)

STATUTORY INFORMATION

(a) The full name of the Company is American Northland Oil Company (herein referred to as the "Company") and the head office of the Company is 127 Montgomery Street, San Francisco 4, California, U.S.A.

(b) The Company was incorporated under the laws of the State of California in the United States of America by Articles of Incorporation dated February 3, 1950. Amended Articles of Incorporation were issued to the Company on April 14, 1953.

(c) The following are the names in full, home addresses and occupations of the Directors and Officers of the Company and Promoters of the securities being offered by this Prospectus:—

(i) **Directors**

Edgar Howe Stapper	Oil Executive	209 North DelMar, San Gabriel, California and Wales Hotel, Calgary, Alberta.
Murray Ahura Schutz	Oil Executive	70 Palm Avenue, San Francisco, California.
Ernest Wilbur Davis	Company President	32 Crest Road, Hidden Valley, Walnut Creek, California.
Charles Patrick Breen	Accountant	1586, 41st Avenue, San Francisco, California.
Louis August Navone	Real Estate Investor	2 Westminster Drive, Oakland, California.

(ii) **Officers**

Edgar Howe Stapper	President, Oil Executive	209 North DelMar, San Gabriel, California and Wales Hotel, Calgary, Alberta.
Murray Ahura Schutz	Executive Vice-President and Secretary, Oil Executive	70 Palm Avenue, San Francisco, California.
Louis August Navone	Treasurer, and Assistant Secretary, Real Estate Investor	2 Westminster Drive, Oakland, California.
Charles Patrick Breen	Assistant Secretary and Assistant Treasurer, Accountant	1586, 41st Avenue, San Francisco, California.

(iii) **Promoter**

Canadoil Production Finance Ltd., with head office at 354 Notre Dame Street West, Montreal, Quebec, incorporated under the Dominion Companies Act, the Directors and Officers of which are:—

John Charles Rogers,	Investment Dealer, President and Director	39 Thurlow Road, Hampstead, P.Q.
Gordon Taylor Howard,	Investment Dealer, Vice-President and Director	342 Kenaston Ave., Town of Mt. Royal, P.Q.
Terence Carson Flood,	Investment Dealer and Director	477 Strathcona Ave., Westmount, P.Q.
John Malcolm McDougall,	Advocate and Director	Rosemere, P.Q.
Thomas Palmer Howard,	Advocate, Secretary-Treasurer	475 Stanstead Cres., Town of Mt. Royal, P.Q.

(d) The auditor of the Company is Leo C. McCann, Certified Public Accountant, 191 Edgewood Avenue, San Francisco 17, California.

(e) The Trustee for the Canadoil Production Note Units (Anoco Series A) hereby offered is The Toronto General Trusts Corporation, 350 Notre Dame Street West, Montreal, Quebec, and for the Canadoil Production Royalty Income Units (Anoco Series A) is The Eastern Trust Company, 134 St. James Street West, Montreal, Quebec.

(f) The authorized share capital of the Company is $6,000,000.00 divided into 3,000,000 shares of the par value of $2.00 each, of which 1,474,615 shares have been issued and are outstanding and fully paid up.

(g) There are no bonds or debentures of the Company outstanding or proposed to be issued. 648 Canadoil Production Note Units, (Anoco Series A) of $1000 each and 648 Canadoil Production Royalty Income Units, (Anoco Series A), are being offered by this Prospectus, as described in paragraph (n) hereof. Wainwright Producers & Refiners Limited, the subsidiary of the Company, has issued $1,000,000 principal amount of 6% Convertible First Mortgage Bonds, Series A, dated as of February 15, 1954, maturing on February 15, 1969. $915,000 principal amount of the said Bonds are outstanding. The said Bonds are secured by a first, fixed and specific mortgage and charge on Wainwright's interest in certain properties in the Province of Alberta on which lands has been erected an oil refinery.

(h) The only shares or other securities of the Company held in escrow are 575,000 shares issued to the original promoters of the Company and held in escrow pursuant to a permit of and until released by the Division of Corporations of the State of California.

(i) The shares sold for cash by the Company to date are as follows:

(i) 375,000 shares at $2.00 per share,
524,615 shares at $2.50 per share.

(ii) The total cash received in respect of the issue of all the said shares was $2,061,537.50.

(iii) Commissions and selling expenses with regard to the above shares totalled $412,307.50.

(j) There are no securities of the Company, other than shares, sold for cash or other consideration, to date. A Promissory Note of the Company in the principal amount of $648,000 is to be sold to Canadoil Production Finance Ltd. for $609,120 as more particularly referred to in paragraph (n) hereof. The said Wainwright Producers & Refiners Limited sold the Bonds referred to in paragraph (g) hereof for the consideration of $920,000, being a discount of 8% which discount was paid as a commission to H. C. Flood & Co. Limited, 360 St. James Street West, Montreal, Quebec, as underwriters.

(k) An aggregate of 575,000 shares of the Company have been issued to the original promoters of the Company. The basis for issuance of such shares was one share for every share sold to the public under the first permit issued by the Division of Corporations of the State of California being 375,000 shares and on the next 250,000 shares sold an additional 200,000 shares were granted the original promoters. On subsequent sales of shares to the public no further stock was issued to the original promoters.

(l) (i) The official designation and location of all properties owned, leased or held under option or intended to be acquired by the Company, are the following:

1. Under an agreement between Wainwright Producers & Refiners Limited, the subsidiary of the Company, having its head office at 44 King Street West, Toronto, Ontario (hereinafter called "Wainwright"), Western Texas Oil Co. Ltd. and the Company, the Company acquired from Wainwright a one-quarter interest in Crown Lease No. 94991 of the Province of Alberta, dated April 20, 1953, of the petroleum and natural gas within and under the North half of Section 22, Township 45, Range 6, West of the Fourth Meridian containing approximately 318 acres. The lease is for a term of 21 years from its date and is renewable. Rent is $1.00 per acre per annum. Production is subject to the usual Crown royalty.

(NOTE: The term "usual Crown royalty" as used in this Prospectus means the royalty payable to the Province of Alberta on crude petroleum running from 5% to 16⅔% of production computed on a sliding scale with the lowest rate applicable to monthly production of less than 600 barrels and the highest rate applicable to a monthly production of 4,050 barrels and over. These royalties went into force on June 1, 1951 under the terms of Order-in-Council No. O.C. 808-51 which states that they shall continue in force for a period of 10 years and thereafter until changed by Order of the Lieutenant-Governor in Council. As used in this prospectus the term "usual Crown royalty" except where otherwise indicated, also includes a finder's royalty of 1%).

2. The Company and Wainwright, its subsidiary, each hold an undivided one-half interest in all the petroleum and natural gas rights, in the Province of Alberta, including leases, subleases, farm out agreements and working interests and options to obtain same as set out below:

(a) By terms of a sub-lease dated June 5, 1951, Wain-Con Oils Limited with Head Office in Edmonton, Alberta, demised to the Company for $250 for a term of 21 years from December 4, 1944, and renewable under the terms of the head lease, Alberta Petroleum and Natural Gas Lease No. 70725, legal subdivisions 1, 2, 3, 4, 5, 6, 9, 10, 11, 12, 14, 15 and 16 of Section 20, Township 45, Range 6, west of the 4th Meridian, containing 520 acres, more or less. Four commercial oil wells, have been drilled and upon the drilling of a fifth well the Company will be entitled to an absolute assignment of the said head lease. Production is subject to royalties of the usual Crown royalty plus an overriding royalty of 6% to Wain-Con Oils Limited.

(b) Crown lease No. 76305 for a term of 21 years from November 10, 1949, and renewable so long as production continues was assigned to the Company by Lindsay Horace Meiklejohn, Allan Jackson and Frank J. Wesley, all of Edmonton, Alberta, for $640 covering the south half of Section 16, Township 45, Range 6, west of the 4th Meridian containing 320 acres, more or less. Production is subject to royalties of the usual Crown royalty plus an overriding royalty to the assignors of 5% of petroleum to base cretaceous and 12½% below cretaceous and plus 12½% of all natural gas from any horizon. One commercial oil well has been drilled.

(c) Lease to the Company by Mrs. Jessie Rawn of Atikokan, Ontario, for 2 years from October 15, 1951, and thereafter so long as oil or gas is produced and until terminated for $300 of legal subdivision 7 and the west half of 8 of Section 31, Township 45, Range 6, West of the 4th Meridian, containing 60 acres, more or less. Production is subject to a royalty to the Lessor of 10% plus a finder's royalty of 1%.

(d) Farm out agreement between James E. Sims of Edmonton, Alberta, and the Company dated November 15, 1951, for a term of 5 years for $200 of legal subdivision 12 of Section 31, Township 45, Range 6, west of the 4th Meridian. Total acreage is 40, more or less. Production is subject to royalties of the usual Crown royalty plus a gross royalty to the said James E. Sims to be equal to the usual Crown royalty plus an additional royalty of 2½%.

(e) Farm out agreement dated September 20, 1951 between Canadian Oil Valley Co. Ltd. with Head Office at Edmonton, Alberta, and the Company covering legal subdivisions 3, 4, 5, 6, 11, 13, 14, 15 and 16 of Section 31, Township 45, Range 6, West of the 4th Meridian, containing 360 acres, more or less. Annual rental is $1 per acre until annual royalties reach $360. Production is subject to royalties of the usual Crown royalty plus a gross royalty to the said Canadian Oil Valley Co. Ltd. to be equal to the usual Crown royalty plus an additional royalty of 2½%. One commercial oil well has been drilled.

(f) Lease dated June 12, 1951, between Lillian Maud Palmer, of Vancouver, British Columbia, and William Glen Saffold of Edmonton, Alberta, and assigned by Saffold to the Company July 31, 1951, of south west quarter and west half of south east quarter of Section 21, Township 45, Range 6, west of the 4th Meridian. Total acreage is 240, more or less. Production is subject to Crown or landowner's and finder's royalty of 13½% plus additional royalty to the Assignor of 10% until $2,400. paid.

(g) Crown lease No. 90417 to the Company dated June 17, 1952, for a term of 21 years and renewable so long as production continues of legal subdivisions 10 and 16 of Section 15, Township 45, Range 6, west of the 4th Meridian, containing 80 acres more or less. Annual rental is $1 per acre. Production is subject to the usual Crown royalties plus 1% finder's royalty.

(h) Crown Lease No. 90418 to the Company dated June 17, 1952, for a term of 21 years and renewable so long as production continues of legal subdivision 13 of Section 17, Township 45, Range 6, west of the 4th Meridian, containing 40 acres more or less. Annual rental is $1 per acre. Production is subject to the usual Crown royalties plus 1% finder's royalty.

(i) Sub-lease of lease No. 40C from Hudson's Bay Company with Head Office at Winnipeg, Manitoba, to Wainwright Petroleums Limited and dated February 29, 1952, of legal subdivision 6 of Section 30, Township 45, Range 6, west of the 4th Meridian, containing 40 acres more or less. Production is subject to a royalty of 11% on the first well and 13½% on the other wells. Wainwright Petroleums No. 1 oil well (commercial) is already completed.

(j) Farm out agreement dated April 4, 1952, between Hudson's Bay Oil and Gas Company Limited with head office at Winnipeg, Manitoba, and the Company whereby the Company acquired leases of the petroleum and natural gas down to the base of the Lower Cretaceous formation underlying the optioned lands until June 11, 1955. Production is subject to a gross royalty to the said Hudson's Bay Oil and Gas Company Limited of 10% if specific gravity is 23° (American Petroleum Institute) or less, 15% if greater than 23° plus finders' royalty of 1%. Hudson's Bay Oil and Gas Company has the right to purchase at cost a half interest in any well on their lease producing 30 or more barrels per day of 23° gravity oil. The agreement now comprises the following properties:

BLOCK A:

Section 26; E. ½ of Section 28; S. ½ of Section 30 (excepting legal subdivisions 1 and 6); W. ½ of Section 32; all of Township 45, Range 6, West of the 4th Meridian.

BLOCK B:

S.E. ¼ of Section 14; Township 45, Range 7; West of the 4th Meridian.

BLOCK C:

Section 8; of Township 47, Range 5, West of the 4th Meridian.
Six oil wells, all commercial, have been drilled and two commercial gas wells, one of which is dry, and the other of which is capable of commercially producing oil, both capped.

(k) Farm out agreement dated May 13, 1953, between Imperial Oil Limited with Head Office at Sarnia, Ontario, and the Company whereby in consideration of the drilling of 5 test wells for petroleum and natural gas pursuant to the terms of the agreement the Company may obtain sub-leases in respect of petroleum and natural gas in the horizons at varying depths (to some extent at the discretion of Imperial Oil Limited) in the lands subject to the agreement. Production is subject to royalties of a Crown or landowner's royalty of 12½% plus an overriding royalty to Imperial Oil Limited of 6¼% if specific gravity under 23° (A.P.I.), 12½% if 23° (A.P.I.) or over and 15% on gas. The only parcel of land still subject to the agreement is legal subdivision 7 of Section 11, Township 45, Range 7, west of the 4th Meridian on which one commercial oil well has been drilled.

(l) Lease dated November 7, 1952, between Albert Silas Maclellan, of Wainwright, Alberta, and the Company for $1,000 plus $100 per well for surface rights for north west quarter of Section 23, Township 45, Range 6, West of the 4th Meridian, containing 160 acres more or less, for term of 21 years from date and so long thereafter as petroleum, etc., is produced. Production is subject to royalty to the said Albert Silas Maclellan of 10% plus a finder's royalty of 1%. One commercial wet gas well has been drilled and capped.

(m) Sub-lease dated October 8, 1952, of a one-half interest of lease dated June 7, 1949, between Marguerite Brassard et al to Western & Texas Oil Co. Limited having an office at Toronto, Ontario, for a term of 10 years less one day to May 10, 1959, and so long thereafter as production continues, of Section 27, Township 45, Range 6, West of the 4th Meridian containing 180 acres more or less. Production is subject to royalty to the said Marguerite Brassard et al of 12½% and 1% to finder. Four commercial oil wells have been drilled.

(n) Farm out agreement dated December 22, 1951, between Imperial Oil Limited and the Company whereby in consideration of drilling a well to contract depth the Company may obtain a sub-lease in respect of petroleum and natural gas in the horizons down to the base of the Lower Cretaceous of the particular portion of the lands subject to the agreement containing 1020 acres more or less. Production is subject to Crown or landowner's royalty of 12½% plus overriding royalty to the said Imperial Oil Limited of 6¼% if specific gravity is under 23° (A.P.I.), 12½% if 23° (A.P.I.) or greater. Two commercial oil wells and one commercial gas well which is also capable of producing oil, have been drilled:

Township 45, Range 6, West of the 4th Meridian, in the Province of Alberta

Lsd. 11 of Section 15

Lsds. 9, 12, 13, the S. ½ of Lsd. 14 and Lsd. 15 of Section 15

All of Section 17 excepting thereout Lsds. 8, 13 and 15 of said section

Lsd. 8 of Section 19

S.W. ¼ of Section 23

Lsds. 7 and 8 of Section 23

(o) Farm out agreement dated March 4 ,1953, between The California Standard Company having an office at Calgary, Alberta, and the Company whereby the Company acquired the right to drill for petroleum and natural gas down to the top of the Devonian formation upon payment of C.P.R. royalty of 6¼% and further 10% royalty to the said California Standard Company from each well until $5,000 paid on each well, on all of Section 7, Township 47, Range 5, West of the 4th Meridian (containing 644 acres, more or less) and all of Section 1, Township 47, Range 6, West of the 4th Meridian (containing 601 acres, more or less). One commercial oil well has been drilled.

(p) Lease dated June 17, 1953, from Baxter Lake Holding Company Limited, having an office at Edmonton, Alberta, to the Company of S. ½ of S.E. ¼ of Section 23, Township 45, Range 6, West of the 4th Meridian (containing 80 acres more or less) and N.W. ¼ of Section 13, Township 45, Range 6, West of the 4th Meridian (containing 160 acres more or less) for 5 years from date and so long thereafter as production of oil or gas continues. Consideration $720 plus a royalty to the Lessor on production of 10%. Surface rights subject to a rent of $1 per acre for the first year and $2 thereafter.

(q) Lease dated November 16, 1953, from aforesaid Wain-Con Oils Limited to the Company of the following lands:

(1) S. ½ of Section 33, Township 45, Range 6, West of the 4th Meridian (containing 320 acres more or less).

(2) N. ½ of N.W. ¼ of Section 25, Township 45, Range 7, West of the 4th Meridian (containing 80 acres more or less).

(3) Section 9, Township 45, Range 6, West of the 4th Meridian (containing 640 acres more or less).

(4) N.E. ¼ of Section 23, Township 45, Range 6, West of the 4th Meridian (containing 156 acres more or less) excepting thereout a certain 3 acres more particularly described and subject to certain agreements and conditions recorded in the Land Titles Office for the North Alberta Land Registration District.

Term is 10 years from date and as long thereafter as petroleum or gas is produced in commercial quantities. Consideration is $10,000 plus a rental of $12,000 payable by monthly payments of $2,000 commencing December 16, 1953, and a gross royalty to the Lessor of 12½% on all petroleum and gas produced and sold. One commercial oil well has been drilled.

(r) Sub-lease dated November 16, 1953, from aforesaid Wain-Con Oils Limited to the Company of Lsds. 7 and 8 in Section 20, Township 45, Range 6, West of the 4th Meridian (containing 80 acres more or less) excepting the petroleum and gas well in Lsd. 8 known as Wain-Con No. 1 under Crown Lease No. 70472 dated November 4, 1944, for 21 years from September 14, 1942. Consideration after payment of usual gross Crown royalty under head lease and operating costs is a gross royalty to Wain-Con Oils Limited of 10%, the grantor to retain a 35% interest in the production of each well.

(s) Farm out dated November 30, 1953, from Western Homestead Oils Limited, with head office at Calgary, Alberta, to the Company of S. ½ of Section 9, Township 45, Range 7, West of the 4th Meridian (containing 320 acres more or less). Consideration $320 plus all rentals to the Crown. A gross royalty to the said Western Homestead Oils Limited of 5% over Crown royalty plus finder's royalty of 1% is payable on all petroleum recovered. The Company is entitled to a sub-lease of the 20 acres in which each well drilled is located for the unexpired portion of the Crown lease, less one day.

(t) Sub-lease dated November 30, 1953, from aforesaid Western Homestead Oils Limited to Anoco of the S.W. ¼ of Section 34, Township 45, Range 6, West of the 4th Meridian (containing 160 acres more or less); consideration $960 plus all rentals to Crown. A gross royalty to the said Western Homestead Oils Limited of 5% over Crown royalty plus finder's royalty of 1% is payable on all petroleum recovered. One commercial gas well has been drilled.

(u) Farm out agreement dated 1st April, 1955, between Northwestern Utilities Limited, having an office at Edmonton, Alberta, and the Company whereby in consideration of the drilling of 4 test wells for petroleum and natural gas pursuant to the terms of the agreement the Company may obtain sub-leases in respect of petroleum and natural gas in all lands in the formations where commercial production is found. No rental is payable by the Company until production commences. Production is subject to land owner's royalties of 5% of petroleum if specific gravity 27° (A.P.I.) or less; 10% of petroleum if specific gravity over 27° (A.P.I.); and 5% on gas, plus 1% finder's royalty.

Production is also subject to overriding royalties to Northwestern Utilities Limited on petroleum on a sliding scale of 7½% if production is 20 barrels a day or less, to 15% if production is in excess of 60 barrels per day; and on gas of 2½¢ per 1000 cubic feet or 15%, whichever is the greater. The following properties, all being west of the 4th Meridian, are subject to the agreement:

	Section	Township	Range	Acres
	19	45	7	640
	21	45	7	638.80
S.E. ¼	25	45	7	160
West ½	27	45	7	320
North ½	31	45	7	320
	33	45	7	640
North ½	35	45	7	319.20
	1	46	7	640
	3	46	7	640
	5	46	7	640
	7	46	7	640
	9	46	7	640
	13 except river	46	7	632.72
	15	46	7	640

	Section	Township	Range	Acres
	17	46	7	640
	19	46	7	640
	21	46	7	638
	23	46	7	636
	25	46	7	638
	27	46	7	638
	31	46	7	594
	33	46	7	592
	35	46	7	590
	1	47	7	603
West ½	3	47	7	301
East ½	3	47	7	301
	9	47	7	644
	13 except 2 acres taken from N.W. ¼	47	7	642
	15	47	7	644
	17	47	7	644
	19	47	7	644
East ½	21	47	7	322
	23	47	7	640
West ½	25	47	7	322
N.E. ¼	27	47	7	160
West ½	31	47	7	321
N. ½ & S.W. ¼	33	47	7	481
	35	47	7	640
	3	47	8	602
	7	47	8	644
	15 except lake	47	8	630.60
	17	47	8	644
	19	47	8	642
	21 except 1 acre taken from N.E. ¼	47	8	643
	23	47	8	644
	25	47	8	644
W. ½	27	47	8	322
	31	47	8	642
N. ½	33	47	8	320
S. ½	33	47	8	322
				27,125.32

(ii) The names and addresses of all vendors of property purchased or intended to be purchased by the Company and the consideration paid and property purchased from each are all as set out respectively in subparagraph (i) of this paragraph.

(iii) No person or company has received or is to receive any interest in the shares or other consideration received or to be received by such vendors.

(m) (i) The means of access to the Company's properties is by highway and/or private road.

(ii) Underground exploration and development has been conducted by the drilling of wells by previous owners and studying of all available subsurface data. There is no underground plant and equipment other than the conventional equipment used in the production of oil.

(iii) Surface plant and equipment consists of the usual equipment used in the production of oil, for which the Company and its subsidiary, Wainwright, have jointly expended, $139,965.71.

(iv) The Wainwright field was discovered in 1921 and a refinery created in 1929. During the depression years the development of the field was retarded. In 1951 the Company began to drill in the area and to date hereof has drilled twenty-three commercial oil wells and five gas wells in the area, in which such wells Wainwright, the Company's subsidiary, has an undivided one-half interest as referred to in paragraph (l) (i).

(v) The Company and its subsidiary, Wainwright, on a joint basis have spent $250,349.84 on drilling and exploration on the said properties.

(vi) A report of Joseph S. Irwin, E.M., Geologist, of Calgary, Alberta, dated June 6th, 1955 is attached hereto and sets out the estimate of remaining recoverable oil from the leaseholds and interests jointly owned by the Company and Wainwright in the Province of Alberta. The report deals separately, in paragraph No. 1 thereof, with the properties constituting the security for the securities being offered hereby.

(n) There are no securities covered by option agreements, sub-option agreements or sub-underwriting agreements outstanding or proposed to be given. The only securities covered by underwriting agreements outstanding or proposed to be given are the securities being offered by this prospectus.

The securities offered by this prospectus are six hundred and forty-eight (648) Canadoil Production Note Units, (Anoco Series A) fully registered and transferable, evidenced by Canadoil Production Note Certificates, (Anoco Series A), (hereinafter called the "Production Note Certificates"), in the aggregate principal amount of $648,000 to be dated as of June 15, 1955, and six hundred and forty-eight (648) Canadoil Production Royalty Income Units, (Anoco Series A), evidenced by Canadoil Production Royalty Income Certificates (Anoco Series A), (hereinafter called the "Royalty Income Certificates"). The Production Note Units are being issued in denominations of $1,000 with interest at 5% per annum payable half-yearly and are secured by a promissory note of the Company in favour of Canadoil Production Finance Ltd. in the principal amount of $648,000. The said promissory note is payable eight years after date at a certain chartered bank, bears interest at 5% per annum and is dated June 15, 1955. The said promissory note has been assigned without recourse to The Toronto General Trusts Corporation as Trustee for the holders of the said Production Note Certificates pursuant to an Agreement dated as of June 15, 1955, and entitled "Canadoil Anoco Series A Production Note Agreement" (hereinafter called the "Note Agreement"). The said promissory note is secured by an Indenture of Mortgage from the Company to Canadoil Production Finance Ltd. dated as of June 15, 1955, (hereinafter called the "Anoco Indenture"), of all the Company's interest in the properties acquired under the leases, sub-leases and agreements referred to in Article IV of the said Anoco Indenture, including four existing commercial oil wells situate thereon (but excluding all present or future pipeline and machinery, equipment and terminal facilities ancillary thereto which are part of the local gathering system), as follows:

(i) Lsds. 1, 2, 3, 4, 5, 6, S.W. ½ 9, 10, 11, 12, 14, S.W. ½ 15 of Section 20, Range 6, Township 45, West of 4th Meridian acquired under the sub-lease from Wain-Con Oils Limited, more particularly referred to in clause (a) of paragraph (l) (i) 2. hereof. Four wells, all commercial, have been drilled.

(ii) Lsd. 13 of Section 17, Range 6, Township 45, West of 4th Meridian acquired under Crown Lease No. 90418 more particularly referred to in clause (h) of paragraph (l) (i) 2. hereof.

(iii) South ½ of Lsd. 14 and Lsd. 16 of Section 17, of Range 6, Township 45, West of 4th Meridian acquired under agreement with Imperial Oil Limited more particularly referred to in clause (n) of paragraph (l) (i) 2. hereof.

The security constituted by the Anoco Indenture has been assigned by Canadoil Production Finance Ltd. under the said Note Agreement to The Toronto General Trusts Corporation as Trustee for the holders of the said Production Note Certificates.

The Anoco Indenture also provides for a gross overriding royalty payable by the Company of 6.5% of the current market value as defined in the Anoco Indenture of all the Company's interest in all crude oil, natural gas and related hydro carbons other than coal produced, saved and sold from all producing wells situated on the said properties. The said gross overriding royalty has been assigned by Canadoil Production Finance Ltd. to The Eastern Trust Company, as trustee for the holders of the said Royalty Income Certificates, pursuant to an Agreement dated the 15th day of June, 1955, entitled the "Canadoil Anoco Series A Royalty Trust Agreement" (hereinafter called the "Royalty Agreement").

Each of the said Production Note Certificates will entitle the holder to receive one Royalty Income Certificate carrying the right to an eight hundred and fiftieth (1/850) interest in the said 6.5% gross overriding royalty. The holders of the Royalty Income Certificates will be entitled to receive annual royalty payments for the life of any producing oil or natural gas wells drilled on the said properties.

The said Note Agreement and the Anoco Indenture provide for monthly payments by the Company as and by way of a Sinking Fund to the said Trustee of sums equal to 90 cents (should the price of crude oil fall below $1.40 per barrel, provision is made for downward adjustment of the said 90 cents) per barrel of the oil produced during the previous calendar month from all wells drilled under the terms of the Anoco Indenture. After deductions for interest and administrative charges of the said Trustee, the remainder of the funds so provided will be applied by the said Trustee to the redemption of the said Production Note Units. The said Production Note Units will be drawn by lot on or about the 15th day of each calendar month in each year provided the said Trustee shall have $5,000 or more available for redemption purposes and as further provided in the Note Agreement.

In addition, the Company has assigned to Canadoil Production Finance Ltd. the promissory note of its subsidiary, Wainwright Producers & Refiners Limited, in the principal amount of $324,000, the 6.5% gross overriding royalty given to the Company and all its interest in the Indenture of Mortgage made to the Company by its said subsidiary, particulars of which promissory note, gross overriding royalty and Indenture of Mortgage are set out in paragraph (u) hereof.

In consideration of the above, Canadoil Production Finance Ltd. has agreed to procure for the Company the sum of $609,120 through the medium of the sale of the said Production Note Units. The proceeds of the sale of the said Production Note Units will be held by the said Trustee under the terms of the Note Agreement and may be withdrawn from time to time by the Company to the extent of $69,120 which is to be paid forthwith for the four existing producing wells located on the specifically mortgaged premises as referred to in sub-paragraph (i) hereof and $27,000 for each additional producing well completed on the said properties when so certified by an independent geologist.

Subject to certain conditions, the Company and Wainwright have the right to substitute other producing wells for the aforementioned drill sites and shall be entitled to draw down $27,000 per producing well so substituted. Such substitution may only be made with the consent of Canadoil Production Finance Ltd. and upon certification by an independent geologist that the producing well so substituted is located on a site with equal or better reserves of recoverable oil than the site for which substitution has been made.

By an underwriting agreement dated June 15th, 1955, between Canadoil Production Finance Ltd. and H. C. Flood & Co. Limited, H. C. Flood & Co. Limited, 360 St. James Street West, Montreal, Quebec, has agreed on its own behalf, subject to the terms and conditions contained in the said agreement, to purchase on delivery $648,000 principal amount of the securities offered by this Prospectus at the price of $622,080 plus accrued interest to date of purchase, being a discount of 4%. The said securities are being offered for sale at the price of $1,000 for one Production Note Unit and one Royalty Unit in the Province of Ontario and elsewhere by H. C. Flood & Co. Limited or registered securities dealers. The names of all persons with a more than 5% interest in H. C. Flood & Co. Limited are H. C. Flood, T. C. Flood, B. O. Flood and J. C. Rogers.

(o) The proceeds of the current sale of securities are to be expended by the management of the Company in a joint venture with its subsidiary, Wainwright Producers & Refiners Limited, in drilling wells under the sole and exclusive management and operation of the Company on the said properties referred to in paragraph (n) hereof.

(p) The Company has been incorporated for five years.

(q) No indebtedness is to be created or assumed, other than that mentioned above, which is not shown in the consolidated balance sheet dated as at December 31, 1954, forming part of this Prospectus and to which express reference is hereby made.

(r) (i) The principal business in which each Director or Officer of the Company has been engaged and the name of the Company or firm with which he has been associated during the past 3 years are as follows:

Name	Business	Time	Position	Employer
Edgar Howe Stapper	Oil Executive	5 years	President	American Northland Oil Company
Murray Ahura Schutz	Oil Executive	5 years	Executive Vice-President and Secretary	American Northland Oil Company
Ernest Wilbur Davis	Warehousing	3 years	President	Standard Warehouse Company, Oakland, California
Louis August Navone	Real Estate Investments	5 years	—	Self
Charles Patrick Breen	Accountant	3 years	Assistant Secretary and Assistant Treasurer	American Northland Oil Company
	and	2½ years	Comptroller	Paul X. Smith & Co.

(ii) No Director or Officer of the Company has ever had any interest in any property acquired by the Company.

(iii) The aggregate remuneration paid by the Company during the last financial year and estimated to be paid or payable during the current financial year to directors and officers is as follows:

Last Financial Year:—	Directors — $ Nil Officers — $10,200
Current Financial Year:—	Directors — $ Nil Officers — $10,200

(s) No dividends have been paid by the Company.

(t) No person or persons are in position or entitled to elect or to have elected a majority of the directors of the Company.

(u) Pursuant to the joint scheme of development mentioned in paragraph (o) hereof, the Company has received from its subsidiary, Wainwright Producers & Refiners Limited its promissory note in the principal amount of $324,000, payable on demand at a certain chartered bank with interest at 5% per annum payable half-yearly. In addition the Company has received from Wainwright an Indenture of Mortgage dated as of June 15, 1955, whereby Wainwright has granted and mortgaged to the Company all its interest in the properties referred to in paragraph (n) hereof, including the four existing commercial oil wells (but excluding all present or future pipeline, machinery, equipment and terminal facilities ancillary thereto which are part of the local gathering system), and its interest in the production therefrom.

The Company has also received from Wainwright under the terms of said Indenture of Mortgage a gross overriding royalty of 6.5% of the current market value as defined in the said Indenture of Mortgage of all Wainwright's interest in all crude oil, natural gas and related hydrocarbons other than coal produced, saved and sold from any well situate on the properties mortgaged thereunder.

The said Indenture of Mortgage also provides for the payment to the Company by Wainwright from time to time of sums sufficient for Wainwright to take and pay for all the crude oil production from all producing wells situated on the properties mortgaged thereunder at the posted market price as defined in the said Indenture of Mortgage.

(v) The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), Section 13 of the Securities Frauds Prevention Act (New Brunswick) and Section 53 of an Act Respecting Securities (Quebec) and there is no further material information applicable other than in the financial statements or reports where required.

Signed — Directors

EDGAR H. STAPPER

M. A. SHUTZ
per his agent E. H. STAPPER

E. W. DAVIS
per his agent E. H. STAPPER

L. A. NAVONE
per his agent E. H. STAPPER

C. P. BREEN
per his agent E. H. STAPPER

Promoter — CANADOIL PRODUCTION FINANCE LTD.

By JOHN CHARLES ROGERS
President

By T. P. HOWARD
Secretary.

(w) To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), Section 13 of the Securities Frauds Prevention Act (New Brunswick) and Section 53 of an Act Respecting Securities (Quebec) and there is no further material information applicable other than in the financial statements or reports where required. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

H. C. FLOOD & CO. LIMITED

By T. C. FLOOD
Vice-President

By G. T. HOWARD
Secretary.

Dated April 30, 1955.

The Certificates referred to herein are being offered in Canada but not in the United States of America. This Prospectus is not and under no circumstances is to be construed as an offering in the United States of America or the territories or possessions thereof, or an offering to any resident thereof or a solicitation therein of an offer to buy.

NEW ISSUE

$753,000

Canadoil Production Finance Ltd.

~~5% CANADOIL~~ PRODUCTION NOTE CERTIFICATES

(ANOCO Series B)

To be dated June 15, 1956 | **To mature June 15, 1964**

Assignor:

CANADOIL PRODUCTION FINANCE LTD.

(Incorporated under the laws of Canada)

These Certificates represent unit interests in a secured note purchased by the Assignor from American Northland Oil Company (hereinafter referred to as "Anoco") and associates for the purpose of providing Anoco with funds for drilling wells and developing oil reserves considered proven on portions of Sections 16, 17, 20, 22, 26, 28, 30, 32 and 33 of Township 45, Range 6, West of the Fourth Meridian, Province of Alberta, Canada.

Principal and half-yearly interest (June 15th and December 15th) payable in lawful money of Canada by The Toronto General Trusts Corporation (hereinafter referred to as the "Trustee"), agents for the Assignor. Certificates are in fully registered form only, in denominations of $1,000 redeemable in whole or in part at 100 and accrued interest in accordance with the terms of the Deed of Assignment to the Trustee by Canadoil Production Finance Ltd.

The said Secured Note is assigned to The Toronto General Trusts Corporation (the "Trustee") by Canadoil Production Finance Ltd. "without recourse" and provides the holder of any Certificate with a direct obligation of Anoco; it being understood that there is no recourse against the Assignor (Canadoil Production Finance Ltd.) on account of the said Secured Note. Similarly, the 5% gross overriding royalty hereinafter referred to has been assigned to The Eastern Trust Company (the "Trustee") by Canadoil Production Finance Ltd. "without recourse" and provides the holder of any Certificate with a direct obligation of Anoco; it being understood that there is no recourse against the Assignor (Canadoil Production Finance Ltd.) on account of the said royalty.

The Deed of Assignment to each Trustee is based upon an Indenture between Anoco and Canadoil Production Finance Ltd., which specifies in detail the various properties which are subjected thereto and which together are defined as the "specifically mortgaged premises". Since the several interests of Anoco and its associates in the various portions of the specifically mortgaged premises are fractional interests which are not necessarily equal, these several interests have also been specified in the said Indenture and defined therein as the "included interests".

SINKING FUND AND REDEMPTIONS

The Deed of Assignment provides for monthly payments by Anoco and associates of a sum equal to a minimum of 80¢ and a maximum of $1.10 per barrel of the net oil production of the previous calendar month from the included interests in all wells placed under the terms of the Indenture between Anoco and Canadoil Production Finance Ltd. which forms the basis of such deed of assignment. After deductions for interest and administration charges and amortization of preliminary expenses, the remainder of the funds so provided will be applied by the Trustee to the redemption of the Production Note Certificates. Certificates shall be drawn by lot on or about the 15th day of each month in which the Trustee shall have $5,000 or more available for redemption purposes.

Canadoil Production Royalty Income Units

(ANOCO Series B)

Accompanying each $1,000 Production Note Certificate, in definitive form, when originally issued, will be a Canadoil Production Royalty Income Certificate, (Anoco Series B) for 50 Units, representing in the aggregate a fifty - fifty thousandth (50/50,000) interest in a 5% gross overriding royalty from the entire production of the included interests in all wells placed under the terms of the Indenture referred to herein.

Royalty Income Certificates shall be detachable, fully registered and transferable. Holders shall be entitled to receive annual pro rata royalty payments commencing June 15th, 1957, (as more fully described on Page 3 herein) as long as sufficient distributable funds are in the hands of the Trustee.

Trustees, and Agents for the Assignor:

For the Production Note Certificates
THE TORONTO GENERAL TRUSTS CORPORATION
Montreal, P.Q., and Calgary, Alta.

For the Royalty Income Certificates
THE EASTERN TRUST COMPANY
Montreal, P.Q., and Calgary, Alta.

We, as principals, offer these 5% Canadoil Production Note Certificates, (Anoco Series B) if, as and when issued and accepted by us, subject to prior sale or change in price and subject to the approval of all legal matters by our Counsel, Messrs. Howard & Stalker, Montreal, who are also Counsel for the Assignor, and by Edward C. Snider, Calgary, Counsel for Anoco and associates.

PRICE: 96 and accrued interest to yield 5.63%

It is expected that Certificates in definitive form will be available for delivery on or about July 17th, 1956. Subscriptions will be received subject to rejection or allotment in whole or in part, and the right is reserved to close subscription books at any time without notice.

H. C. Flood & Co. Limited

Investment Dealers
360 St. James St. W.
MONTREAL
PL. 4871

(LETTERHEAD)

CANADOIL PRODUCTION FINANCE LTD.

Montreal, Que.
June 15, 1956.

H. C. Flood & Co. Limited,
360 St. James Street, West,
Montreal, P.Q.

Dear Sirs,

In connection with the offering of $753,000 of 5% Canadoil Production Note Certificates, (Anoco Series B), I have pleasure in providing the following information:

THE COMPANY

Canadoil Production Finance Ltd. (hereinafter referred to as the "Company") was incorporated under the laws of Canada on November 30, 1954. One of its purposes is to provide established oil companies with funds necessary to develop acreage considered proven. It is planned that this shall be done through the purchase of Production Note Certificates secured by a charge against the production of the wells financed and that these Certificates shall be conveyed to a recognized trust company, as trustee, unitized and offered to investors. During 1955 the Company made a successful offering of this nature in connection with which monthly redemptions are in progress and royalty payments are being received by the respective Trustees.

PRODUCTION LOANS

In the United States the granting of secured loans to be repaid out of the proceeds of the sale of oil production is a well established and common practice. The record of safety has been so close to 100% that for many years such paper has been keenly sought by banks, insurance companies, endowment funds and all manner of lending institutions.

In Canada the chartered banks make production loans under certain conditions, but it is considered that a demand exists for financing outside of the range covered by present banking facilities.

ANOCO SERIES B

The Company has purchased from American Northland Oil Company (hereinafter referred to as "Anoco") a Secured Promissory Note in the face amount of $753,000 issued partly to cover the cost of drilling and completing up to twenty-three and a half producing wells on leaseholds held by Anoco and Wainwright Producers & Refiners Limited (hereinafter referred to as "Wainwright") on portions of Sections 16, 17, 20, 26, 28, 30, 32 and 33 and on portions of Section 22 held 50% by the aforementioned two companies and 50% by Western & Texas Oil Co. Limited, all in Township 45, Range 6, West Fourth Meridian, Province of Alberta, and partly against the security of four presently producing wells in Sections 17, 32 and 33 of the same Township.

This area is in the Wainwright medium gravity oil field and comprises 660 acres, undeveloped, but considered proven to the extent of 1,749,600 barrels of net recoverable oil and in addition 80 acres, developed, with an estimated 184,954 barrels of net recoverable oil. A geologist's report is attached hereto.

Anoco has undertaken to accept a total of $43,200 against the four producing wells mentioned above and a fixed amount at the rate of $27,000 per completed well for the sites to be drilled. As soon as the next producing whole well has been certified by an independent geologist as a producing well and placed under the terms of the Indenture, dated as of June 15th, 1956, between the Company and the Toronto General Trusts Corporation, (hereinafter referred to as the "Trustee") $27,000 will be released to Anoco by the Trustee. Similarly, where the included interests in any well are less than 100%, a pro-rata portion of $27,000 will be released. Upon the certification of each subsequent well or fractional well, a further $27,000 (or pro-rata portion thereof) will be released until, in addition to the aforementioned $43,200, a further $634,500 has been turned over. $677,700, the total of this amount, will be the net proceeds of this offering of Production Note Certificates. It should be noted that no funds will be released against the cost of non-productive wells or against costs in excess of $27,000 per whole well drilled. Under certain conditions, Anoco and Wainwright shall have the right to substitute other producing wells for the above mentioned drill sites and shall be entitled to draw down $27,000 per producing well so substituted. Such substitutions may only be made with the consent of Canadoil Production Finance Ltd. and upon certification by an independent geologist that the producing well so substituted is located on a site with equal or better reserves of recoverable oil than the site for which substitution has been made.

Associated with Anoco in this borrowing is Wainwright which has an undivided and equal interest with Anoco in the acreage concerned and is jointly and severally liable with Anoco for one-half of the Production Note Certificate and one-half of the 5% gross overriding royalty. Also associated with Anoco in this borrowing is Western & Texas Oil Co. Limited, which company has guaranteed the borrowing to the extent of $15,000 and interest thereon for each well completed on the North half of Section 22 where they have an undivided 50% interest and where it is expected that seven wells will be drilled. This guarantee is limited to a total of $105,000.

SINKING FUND AND REPAYMENT

Commencing in July, 1956, with production from the four presently producing wells referred to above and continuing until the Production Note Certificates are redeemed in full, Anoco will pay to the Trustee a minimum of 80¢ and a maximum of $1.10 per barrel of the net oil production from all wells placed under the terms of the Indenture. The amount of the payments shall be determined as follows:

Where the Posted Field Price of the Oil is	The Payment per barrel shall be
At $1.60 or more per barrel	$1.10
Between $1.59 and $1.50 per barrel (both inclusive)	$1.00
Between $1.49 and $1.40 per barrel (both inclusive)	$0.90
Less than $1.40 per barrel	$0.80

On the basis of the present price of approximately $1.50 per barrel the payment per barrel would be $1.00.

Payments will be made monthly and the Trustee will deduct therefrom sufficient sums to cover interest and administration charges and amortization of preliminary expenses. Remaining funds shall be applied by the Trustee to the redemption of the Production Note Certificates hereby offered and to accomplish this, Certificates will be drawn by lot on or about the 15th day of every month in which the Trustee shall have $5,000 or more available for the purpose.

Notice of redemption of Certificates will be mailed to registered holders who will receive payment in full upon presentation of such Certificates at the offices of the Trustee in Montreal or Calgary. On redeemed Certificates, interest shall not accrue beyond the effective redemption date.

Joseph S. Irwin, E.M., Geologist of Calgary, Alberta, has estimated that the wells to be placed under the Indenture may be expected to produce an average of over 20 barrels of oil per day during the period when the Production Note Certificates will be outstanding. If this rate is achieved, and if the oil is sold at present prices, redemption of the Production Note Certificates should be completed in from five to six years. It must be realized, however, that this is a pre-drilling estimate based only on the experience of other wells in the area.

SECURITY

The Anoco Production Note Units represented by the Certificates offered hereby are the direct and general obligations of Anoco to Canadoil Production Finance Ltd. which includes by assignment a joint and several direct and general obligation (for one-half of the total at any time outstanding) of Wainwright to Anoco. To the extent of a maximum of $105,000 Western and Texas Oil Co. Limited has guaranteed payment to Wainwright with right of assignment. These obligations are evidenced by Deeds of Indenture which contain the unrestricted promises to pay by both Anoco and Wainwright together with covenants pledging as additional security all of the production of the wells to be placed under the terms of the Indenture. This pledge of production is recorded in respect of the Crown leases by the filing of the Deeds of Indenture with the Department of Mines and Minerals at Edmonton, Alberta, and in respect of other properties by the registration of a caveat against the properties involved and constitutes a first charge and lien upon the said oil production subject only to gross royalty payments.

Canadoil has in its turn conveyed to the Trustee its right, title and interest under the aforesaid documents with the result that the obligation on the Certificates is direct and not an obligation of Canadoil Production Finance Ltd.

Certified copies of the above documents may be inspected at the office of the Company or at the offices of the Trustee, The Toronto General Trusts Corporation in Montreal or Calgary.

MARKETS FOR THE OIL

Oil from the Wainwright field is of medium grade and runs from 21° API gravity to 24° API gravity. It is of an asphalt base and suitable for the manufacture of a wide range of products from gasoline through distillate, jet fuel, diesel oil, road oil to heavy fuel oil. To provide additional security for the Production Note Certificates a contract has been entered into with Wainwright which has agreed to take, for a period of 10 years (or until the Production Note Certificates are fully paid off, whichever shall be the longer) and at posted market prices (as defined in the Indenture), the entire output of all wells placed under the Indenture. This is particularly important in view of the close proximity of this refinery to the wells (under 4 miles) and the resulting beneficial effect on wellhead prices.

ROYALTY INCOME UNITS

As additional consideration for the purchase by the Company of Anoco's Secured Promissory Note, the Company has received from Anoco, Wainwright and Western and Texas Oil Co. Limited a grant of a 5% gross overriding royalty on all production of gas and oil from all wells, or fractional wells, placed under the Indenture. This royalty has been assigned by the Company to the Eastern Trust Company as Trustee, and has been divided into 50,000 units. A Canadoil Royalty Income Certificate, representing 50 Canadoil Production Royalty Income Units, will accompany each $1,000 Production Note Certificate when originally issued. The royalty will be administered by The Eastern Trust Company which will collect the monthly royalty payments, deduct therefrom sufficient to cover charges and expenses and make an annual payment to the registered holders whenever distributable funds, to the extent of $1,000 or more, are available. It is expected that the first such annual payment will be made on June 15th, 1957, and that payments will continue thereafter for as long as the wells produce.

Due to the several unknown factors involved, any present estimate of the value of these Royalty Income Units must not be considered accurate. However, if an average production of 20 barrels per well per day is achieved and the present price of $1.50 per barrel is maintained, the annual payment per unit should approximate $0.27 which amount would be subject to decline over the life of the wells. The initial distribution may be expected to be less due to amortization of preliminary expenses and the fact that it will represent only a partial year.

For your further information we attach hereto the consolidated financial statements of Anoco and its subsidiary, Wainwright.

Anoco is a California corporation with interests in Alberta. Wainwright, an Ontario corporation, owns and operates a modern refinery at Wainwright, Alberta, which is on the main line of the C.N.R. The refinery has a capacity of 3,000 barrels per day and the company owns some 4,000,000 barrels of proven and probable oil reserves in the surrounding area.

Western and Texas Oil Co. Limited is an independent oil producing company with recoverable reserves of approximately 1,000,000 net barrels of oil in the Wainwright area and with no debt other than the $105,000 referred to herein.

Yours very truly,

CANADOIL PRODUCTION FINANCE LTD.

(Signed)

JOHN C. ROGERS,
President.

JOSEPH S. IRWIN, E.M.
Consulting Geologist

812 Lancaster Bldg.,
Calgary, Alberta,
12 June, 1956.

American Northland Oil Company,
Wainwright Producers & Refiners Ltd.,
127 Montgomery Street,
San Francisco 4, Calif.

Re: Oil Reserves and Development
Wainwright District, Alberta

Sirs:

We present herein our estimate of remaining recoverable oil from leaseholds and interests owned jointly and equally by American Northland Oil Company and Wainwright Producers and Refiners Limited, in the Wainwright oil field, in Township 45, Range 6, West of the 4th Meridian, Province of Alberta, and our report as to the development status thereof as follows:

1. Parts of Sections 16, 17, 20, 22, 26, 28, 30, 32 and 33, Township 45, Range 6, West of the 4th Meridian.

(a) AREA CONSIDERED PROVED

The area which we consider proved for oil production comprises 740 acres described as follows:

SECTION 16, TWP. 45, RGE. 6, W4M.
Lsds. 3 (W½), 5 (W½).

SECTION 17, TWP. 45, RGE. 6, W4M.
Lsd. 14 (E½).

SECTION 20, TWP. 45, RGE. 6, W4M.
Lsds. 1 (W½), 5 (W½), 9 (W½), 15 (E½), 16 (W½).

SECTION 22, TWP. 45, RGE. 6, W4M.
Lsds. 10, 11, 12, 14, 15, 16 (W½).

SECTION 26, TWP. 45, RGE. 6, W4M.
Lsds. 6 (E½), 11 (W½), 12, 13 (E½).

SECTION 28, TWP. 45, RGE. 6, W4M.
Lsds. 7 (E½), 8 (E½), 9 (W½), 10 (W½), 15 (W½).

SECTION 30, TWP. 45, RGE. 6, W4M.
Lsds. 7, 8.

SECTION 32, TWP. 45, RGE. 6, W4M.
Lsds. 4 (W½), 14 (E½).

SECTION 33, TWP. 45, RGE. 6, W4M.
Lsd. 2.

Of the above described area, 80 acres have been developed by the drilling of four producing oil wells, namely Nos. 12-D-14, P. & R. 5-D-2, P. & R. 6-B-4 and P. & R. 10-B-2.

Our estimate of remaining recoverable oil at end May 1956, from the before mentioned developed 80 acres is 184,954 barrels after deduction of royalty.

The remaining 660 acres of the before mentioned 740 acres are considered proved but undeveloped, providing space for 33 wells. From this undeveloped area, considered proved, we estimate recoverable oil, after deduction of estimated royalty, to be 1,749,600 barrels.

Total estimated remaining recoverable oil from the above described area considered proved is 1,934,554 barrels after deduction of estimated royalty.

These estimates are based on present well spacing practice of 20 acres per well.

(b) AREA OF PROBABLE PRODUCTIVITY

Of the remaining unproved and undeveloped area we estimate that 700 acres will probably yield oil in varying amounts comparable to those in the area considered proved.

2. Parts of Township 45, Range 6, West of the 4th Meridian.

In addition to the properties referred to in Paragraph 1 hereof, there are 1,020 acres of leaseholds owned jointly and equally by American Northland Oil Company and Wainwright Producers & Refiners Limited surrounding the said properties, all being within Township 45, Range 6, West of the 4th Meridian, which we consider proved.

Our estimate of remaining recoverable oil at end of May 1956, from this area of 1,020 acres is 2,080,433 barrels before deduction of royalty.

PROBABLE AREA

In addition to the acreage considered proved for oil productivity, and in addition to the properties referred to in Paragraph 1 hereof, it is our opinion that 340 acres will probably be found productive in varying amounts comparable to those in the area considered proved.

POSSIBLE AREA

In addition to the estimated proved and probably productive area, amounting respectively to 1,760 and 1,040 acres (total 2,800 acres), Wainwright Producers & Refiners Limited and American Northland Oil Company own jointly and equally 1,880 acres of petroleum and natural gas leases which in our opinion have possibilities for discovery of oil and gas. Substantial portions of this acreage are already proved for gas occurrence in potentially paying quantity.

RECOVERY EFFICIENCY

The percentage of the oil content of the reservoir which will be recovered by the pumping wells depends on several factors and procedures, at least some of which are presently unknown. These include formation fracturing, water flooding, gas injection and other reservoir treatments, and efficiency of cleanouts, workovers, pumping, etc. in general. In reservoirs of the type, and with oil of the character, here involved, recovery efficiency may be expected to range from 10% to 25% or more. For the purpose of this estimate percentage recovery factors of 12½% to 20% have been used, based on the production statistics and other data of the comparatively large number of wells recently drilled in the district. For the most part a recovery factor of 15% has been used in the undrilled areas resulting in average recoverable oil amounting to 273 barrels per acre foot, 3,000 barrels per acre, and 60,000 barrels per well on 20 acres.

Four adjacent old wells have yielded an average of 77,337 barrels per well to 31 May 1956. On assumption of 20 acres drainage per well and estimated 400,000 barrels oil content per 20 acres, the resultant recovery factor would be 19$\frac{3}{10}$%. It can not necessarily be assumed that the average recent and prospective wells will do as well because of current closer well spacing and resultant unknown interference factors. However, a recovery factor of 17% would result in 68,000 barrels average per well rather than 60,000 barrels average per well. The recoverability factor will be reviewed from time to time as warranted by changing conditions and new information.

ROYALTY

Since Crown (Government) royalty is computed on a sliding scale varying with amount of monthly production, it is necessary to base royalty estimates on assumptions. It is herein assumed, unless known in the case of producing wells which exceed the minimum, that the production of each well will be 600 barrels or less per month (20 barrels or less per day). This amount incurs the minimum 5% royalty. To this basic royalty is added the overriding royalty applicable up to this particular time. Present average production rate of Anoco Series A wells is approximately 24 barrels of oil per day. In our opinion it is reasonable to expect that daily average production of Anoco Series B wells, present and prospective as herein recommended, will be essentially similar.

Respectfully submitted,

(Signed)

JOSEPH S. IRWIN, E.M., P. Eng.

— CERTIFICATE —

I, JOSEPH S. IRWIN, of the City of Calgary, Province of Alberta, Consulting Geologist, do hereby certify that:

1. My residence address is 2106 Seventh St. West, Calgary, Alberta.
2. I am a graduate of the School of Mines, University of Missouri. Degrees: B.S. 1912; E.M. 1922.
3. I have practised my profession as a geologist for 39 years.
4. I am registered as a Professional Engineer by the Association of Professional Engineers of Alberta.
5. I am a member of the American Association of Petroleum Geologists, Engineering Institute of Canada, Canadian Institute of Mining and Metallurgy, Alberta Society of Petroleum Geologists, and Geological Association of Canada.
6. I have no interest in the properties or securities of either American Northland Oil Company or Wainwright Producers & Refiners Limited, nor do I expect to receive any such interest.
7. The accompanying report is based in part on my personal examination of some of the Companies' holdings on various occasions during the period June 1951 to May 1955, on published Government reports and on my personal conviction about the Companies' holdings.

(Signed)

JOSEPH S. IRWIN, E.M., P. Eng.

DATED at Calgary, Alberta, this 12th day of June, 1956.

AMERICAN NORTHLAND OIL COMPANY

and its Subsidiary

WAINWRIGHT PRODUCERS & REFINERS LIMITED

Consolidated Balance Sheet as at March 31, 1956

Assets

CURRENT ASSETS:		
Cash on hand and in banks	$ 27,733.59	
Special deposits in The Toronto General Trust Corporation for application on Canadoil note	9,863.17	
Accounts receivable, less reserves	197,541.78	
Inventories:		
Crude oil and refined products	114,683.11	
Well equipment and small tools	36,826.97	
Prepaid operating expenses	33,508.13	$ 420,156.75
INVESTMENTS:		
Stewart Davis Oils Ltd. capital stock — 100%	$ 35,000.00	
Wainwright Curling Club — debenture	500.00	
Second mortgage on real property sold	12,000.00	47,500.00
FIXED ASSETS (Note 1)		
Producing oil wells:		
Tangible production equipment	$ 525,880.42	
Intangible drilling costs	737,540.38	
Leasehold costs	67,598.48	
	$1,331,019.28	
Less: Depreciation and depletion	212,844.93	
	$1,118,174.35	
Gas Wells and undeveloped leases	154,113.66	
Total of oil properties	$1,272,288.01	
Land, buildings, and equipment:		
New refinery plant	$1,126,931.06	
Buildings, equipment, and old plant	284,361.10	
Drilling rig, service rig, and accessories	181,584.17	
Autos, trucks, tank cars, drums, etc.	79,704.62	
	$1,672,580.95	
Less: Reserve for depreciation	300,419.58	
	$1,372,161.37	
Land — Refinery site	9,012.00	
Service stations and station sites	60,035.91	
Total of land, buildings, and equipment	$1,441,209.28	
Total fixed assets		2,713,497.29
DEFERRED CHARGES:		
Advances on outside mining projects	$ 19,834.08	
Unamortized discount on Bonds and Canadoil Notes	103,699.20	123,533.28
ORGANIZATION COSTS:		
Incorporation and stock selling expenses — net	$ 293,000.00	
Organizers' services — represented by par value of capital stock issued therefor (contra)	1,150,000.00	1,443,000.00
		$4,747,687.32

Liabilities

CURRENT LIABILITIES:		
Secured overdraft at Treasury Branch	$ 56,085.73	
Accounts payable	193,288.61	
Notes payable:		
Canadian banks — secured by oil production	33,600.00	
Continental Supply Company — secured by chattel mortgage on drilling rig	19,240.60	
Fluor Corporation of Canada Ltd. (secured)	131,000.30	
Miscellaneous notes payable	13,361.35	
Accrued liabilities:		
Interest on First Mortgage bonds	7,500.00	
Other accrued expenses	7,275.91	$ 461,352.50
DEFERRED LIABILITY:		
Note payable — Canadoil Production Finance Limited, payable over period from 1955 to 1963 out of production from wells financed		632,000.00
FIXED LIABILITIES:		
First Mortgage 6% Convertible Bonds — Due 1969		1,000,000.00
INTEREST OF MINORITY STOCKHOLDERS IN CANADIAN SUBSIDIARY CORPORATION:		
Stock held by minority group, 197,466 shares	$ 197,466.00	
Prorata in Capital Surplus, 32.6%	69,804.38	
Prorata in Operating Deficit, 32.6%	(37,649.28)	229,621.10

Capital

CAPITAL STOCK:		
Authorized — 3,000,000 shares of $2.00 par		
Sold and issued to public . . . . 913,018 shs.	$1,826,036.00	
Organizers' stock in escrow (contra) . . 575,000 shs.	1,150,000.00	
	$2,976,036.00	
Capital surplus — Arising from sale of capital stock at prices in excess of par value, less amortization of stock selling expenses:		
Parent company	111,682.47	
Subsidiary — Parent's 67.4% interest (Note 1)	144,319.48	
	$3,232,037.95	
Less: Deficit from operations to date (Note 2)	807,324.23	
Net capital investment		2,424,713.72
		$4,747,687.32

Approved on behalf of the Board of Directors:

(signed) MURRAY SCHUTZ, Director.

(signed) LOUIS NAVONE, Director.

AMERICAN NORTHLAND OIL COMPANY

and its Subsidiary

WAINWRIGHT PRODUCERS & REFINERS LIMITED

Notes to Consolidated Balance Sheet of March 31, 1956

(1) The consolidated balance sheet eliminates inter-company accounts and profits on inter-company transactions as follows:

Asset accounts decreased:	
Eliminated from parent company's assets:	
Account receivable from subsidiary	$ 22,614.00
Notes receivable from subsidiary	616,000.00
Accrued interest receivable on said notes	4,500.00
Cost of stock investment in subsidiary	95,279.00
Deducted from subsidiary's asset balances:	
Canadian oil properties are reduced by parent company's unrealized profit on its sale of those assets	900,103.00
	$1,638,496.00
Liability and capital accounts decreased:	
Eliminated from subsidiary's accounts:	
Accounts payable to parent company	$ 22,614.00
Notes payable to parent company	616,000.00
Accrued interest payable on said notes	4,500.00
Par value of capital stock owned by parent company in subsidiary	407,734.00
Capital surplus set up on sale of stock to parent company in exchange for oil properties, etc.	587,648.00
	$1,638,496.00

(2) The following is an analysis of the Deficit Account since the date of the previous consolidated report.

	Parent	Subsidiary	Total
Deficit December 31, 1955 as previously reported	$ 738,470.00	$ 123,361.00	$ 861,831.00
Adjustments made in 1956 to prior year earnings — net credit		42.00	42.00
Adjusted balances as of 12/31/55	$ 738,470.00	$ 123,319.00	$ 861,789.00
Deduct:			
Profit for 3 months ended 3/31/56	8,985.00	7,831.00	16,816.00
Deficit March 31, 1956 per separate reports	$ 729,485.00	$ 115,488.00	$ 844,973.00
Less:			
Minority stockholders' 32.6% share of subsidiary's deficit		37,649.00	37,649.00
Deficit per Consolidated Balance Sheet at March 31, 1956	$ 729,485.00	$ 77,839.00	$ 807,324.00

AUDITOR'S REPORT

The Board of Directors
American Northland Oil Company

I have examined the consolidated balance sheet of American Northland Oil Company and its Canadian subsidiary, Wainwright Producers & Refiners Limited, as of March 31, 1956, and the related consolidated profit and loss statement for the three months ended March 31, 1956. My examination of the American Northland Oil Company was made in accordance with generally accepted auditing standards which included such tests of the accounting records and other auditing procedures as I considered necessary in the circumstances. The Canadian subsidiary was not audited by me, but I reviewed its financial statements and the report thereon that was prepared by Deloitte, Plender, Haskins & Sells, Chartered Accountants.

In my opinion, the accompanying consolidated balance sheet and consolidated profit and loss statement are properly drawn up so as to exhibit a true and correct view of the financial position of the American Northland Oil Company and its subsidiary as at March 31, 1956, and the results of the operations of those two companies for the three months ended March 31, 1956, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding years.

(signed) LEO C. McCANN,
Certified Public Accountant.

June 12, 1956.
San Francisco, California.

AMERICAN NORTHLAND OIL COMPANY

and its Subsidiary

WAINWRIGHT PRODUCERS & REFINERS LIMITED

Consolidated Profit and Loss Statement
for Year Ended December 31, 1955

	American Northland Oil Company	Wainwright Producers & Refiners Limited	Total
REVENUE			
Sales of refined oil products, less sales taxes thereon	$ —	$1,005,913.00	$1,005,913.00
Sales of oil produced from wells, less partners' shares and royalties	84,319.00	66,247.00	150,566.00
Contract drilling income	279,375.00	—	279,375.00
Pumping and production fees	20,096.00	—	20,096.00
Trucking, service rig fees, etc.	6,698.00	5,459.00	12,157.00
	$ 390,488.00	$1,077,619.00	$1,468,107.00
OPERATING & GENERAL EXPENSES			
Cost of refined products sold:			
Cost of crude oil processed	$ —	$ 632,831.00	$ 632,831.00
Direct expenses of refinery	—	199,974.00	199,974.00
Producing oil property expenses	22,615.00	20,969.00	43,584.00
Contract drilling costs	232,125.00	—	232,125.00
Trucking and tank car expenses	5,206.00	47,099.00	52,305.00
Other direct operating expenses	7,102.00	6,000.00	13,102.00
Total direct expenses	$ 267,048.00	$ 906,873.00	$1,173,921.00
General & Administrative expenses	76,212.00	73,988.00	150,200.00
	$ 343,260.00	$ 980,861.00	$1,324,121.00
OPERATING PROFIT BEFORE FINANCIAL EXPENSES, DEPRECIATION, AND DEPLETION	$ 47,228.00	$ 96,758.00	$ 143,986.00
FINANCIAL EXPENSES			
Interest paid, bond and note discount amortization, less interest earned	— 2,869.00	— 89,413.00	— 92,282.00
PROFIT BEFORE DEPRECIATION AND DEPLETION	$ 44,359.00	$ 7,345.00	$ 51,704.00
Deduct: Depreciation and depletion	—63,267.00	—103,419.00	—166,686.00
NET LOSS AFTER DEPRECIATION AND DEPLETION	$ 18,908.00	$ 96,074.00	$ 114,982.00
NON-OPERATING LOSSES			
Loss on sale of Emsco drilling rig	12,515.00	—	12,515.00
Loss on sale of Lloydminster Wells	60,173.00	—	60,173.00
Abandonment of Lloyd. Well #6-A-14	26,192.00	—	26,192.00
Other abandonments, less recoveries	4,010.00	—	4,010.00
NET LOSS FOR YEAR 1955	$ 121,798.00	$ 96,074.00	$ 217,872.00

AMERICAN NORTHLAND OIL COMPANY

and its Subsidiary

WAINWRIGHT PRODUCERS & REFINERS LIMITED

Consolidated Profit and Loss Statement
for 3 Months Ended March 31, 1956

	American Northland Oil Company	Wainwright Producers & Refiners Limited	Total
REVENUE			
Sales of refined oil products less sales taxes thereon	$ —	$ 424,348.00	$ 424,348.00
Sales of crude oil produced from wells, less partners' shares and royalties	34,492.00	33,189.00	67,681.00
Contract drilling income	54,000.00	—	54,000.00
Pumping, trucking, and servicing fees	8,198.00	—	8,198.00
Miscellaneous operating income	686.00	—	686.00
	$ 97,376.00	$ 457,537.00	$ 554,913.00
OPERATING AND GENERAL EXPENSES			
Cost of refined products sold:			
Cost of crude oil processed	$ —	$ 261,447.00	$ 261,447.00
Direct expenses of refinery	—	64,025.00	64,025.00
Producing oil property expenses	6,412.00	11,246.00	17,658.00
Contract drilling costs	39,552.00	—	39,552.00
Trucking and delivery expenses	1,775.00	19,499.00	21,274.00
Servicing and other operating expenses	5,442.00	3,533.00	8,975.00
Total direct expenses	$ 53,181.00	$ 359,750.00	$ 412,931.00
General and administrative expenses	20,870.00	19,210.00	40,080.00
	$ 74,051.00	$ 378,960.00	$ 453,011.00
OPERATING PROFIT BEFORE FINANCIAL EXPENSES, DEPRECIATION & DEPLETION	$ 23,325.00	$ 78,577.00	$ 101,902.00
FINANCIAL EXPENSES			
Interest paid, bond and note discount amortization, less interest earned	926.00	27,372.00	28,298.00
PROFIT BEFORE DEPRECIATION & DEPLETION	$ 22,399.00	$ 51,205.00	$ 73,604.00
Less: Depreciation and depletion	17,914.00	43,375.00	61,289.00
PROFIT AFTER DEPRECIATION & DEPLETION	$ 4,485.00	$ 7,830.00	$ 12,315.00
Add: Profit on sale of real property	4,500.00	—	4,500.00
NET PROFIT 3 MONTHS ENDED MARCH 31, 1956	$ 8,985.00	$ 7,830.00	$ 16,815.00

STATUTORY INFORMATION

(a) The full name of the Company is American Northland Oil Company (herein referred to as the "Company") and the head office of the Company is 127 Montgomery Street, San Francisco 4, California, U.S.A.

(b) The Company was incorporated under the laws of the State of California in the United States of America by Articles of Incorporation dated February 3, 1950. Amended Articles of Incorporation were issued to the Company on April 14, 1953.

(c) The following are the names in full, home addresses and occupations of the Directors and Officers of the Company and Promoters of the securities being offered by this Prospectus:—

(i) **Directors**

Edgar Howe Stapper	Oil Executive	209 North DelMar, San Gabriel, California and Wales Hotel, Calgary, Alberta.
Murray Ahura Schutz	Oil Executive	70 Palm Avenue, San Francisco, California.
Ernest Wilbur Davis	Company President	32 Crest Road, Hidden Valley, Walnut Creek, California.
George C. Barry Jr.	Insurance Broker	1529 Gibbons Drive, Alameda, California.
Louis August Navone	Real Estate Investor	2 Westminster Drive, Oakland, California.

(ii) **Officers**

Edgar Howe Stapper	President, Oil Executive	209 North DelMar, San Gabriel, California and Wales Hotel, Calgary, Alberta.
Murray Ahura Schutz	Executive Vice-President and Secretary, Oil Executive	70 Palm Avenue, San Francisco, California.
Louis August Navone	Treasurer, and Assistant Secretary, Real Estate Investor	2 Westminster Drive, Oakland, California.
George C. Barry Jr.	Assistant Secretary and Assistant Treasurer, Insurance Broker	1529 Gibbons Drive, Alameda, California.

(iii) **Promoter**

Canadoil Production Finance Ltd., with head office at 354 Notre Dame Street West, Montreal, Quebec, incorporated under the Canadian Companies Act, the directors and Officers of which are:—

John Charles Rogers	Investment Dealer, President and Director	39 Thurlow Road, Hampstead, P.Q.
Gordon Taylor Howard	Investment Dealer, Vice-President and Director	342 Kenaston Ave., Town of Mount Royal, P.Q.
Terence Carson Flood	Investment Dealer and Director	477 Strathcona Ave., Westmount, P.Q.
Donald Wolvin	Investment Dealer and Director	Room 710—360 St. James St., West, Montreal, P.Q.
Thomas Palmer Howard	Advocate, Secretary-Treasurer and Director	475 Stanstead Crescent, Town of Mount Royal, P.Q.

(d) The auditor of the Company is Leo C. McCann, Certified Public Accountant, 191 Edgewood Avenue, San Francisco 17, California.

(e) The Trustee for the Canadoil Production Note Units (Anoco Series B) hereby offered is The Toronto General Trusts Corporation, 350 Notre Dame Street West, Montreal, Quebec, and for the Canadoil Production Royalty Income Units (Anoco Series B) is The Eastern Trust Company, 134 St. James Street West, Montreal, Quebec.

(f) The authorized share capital of the Company is $6,000,000.00 divided into 3,000,000 shares of the par value of $2.00 each, of which 1,488,018 shares have been issued and are outstanding and fully paid up.

(g) There are no bonds, debentures or secured notes of the Company outstanding other than the present offering and the unredeemed balance due by the Company on the Secured Promissory Note issued by it to Canadoil Production Finance Ltd. pursuant to the terms of an Indenture dated 15th June, 1955; which said Note was issued in the amount of $648,000.00, is subject to sinking fund redemptions and becomes due with respect to any remaining balance outstanding on 15th June, 1963. As at 16th May, 1956, $32,000.00 out of the aforesaid amount of $648,000.00 had been redeemed through sinking fund. The Company does not contemplate the issue of any bonds or debentures or other secured notes. 753 Canadoil Production Note Units (Anoco Series B) of $1,000.00 each and 50,000 Canadoil Production Royalty Income Units (Anoco Series B) are being offered by this Prospectus, as described in paragraph (n) hereof. Wainwright Producers & Refiners Limited (hereinelsewhere sometimes referred to as "Wainwright"), the subsidiary of the Company, has issued $1,000,000.00 principal amount of 6% Convertible First Mortgage Bonds, Series A, dated as of February 15, 1954, maturing on February 15, 1969. $942,000.00 principal amount of the said Bonds are outstanding (as at 16th May, 1956). The said Bonds are secured by a first, fixed and specific mortgage and charge on Wainwright's interest in certain properties in the Province of Alberta on which lands has been erected an oil refinery. There are no bonds or debentures of Western & Texas Oil Co. Limited (hereinelsewhere sometimes referred to as "Western & Texas") outstanding or proposed to be issued.

(h) The only shares or other securities of the Company held in escrow are 575,000 shares issued to the original promoters of the Company and held in escrow pursuant to a permit of and until released by the Division of Corporations of the State of California.

(i) The shares sold for cash by the Company to date are as follows:

(i) 375,000 shares at $2.00 per share,

530,018 shares at $2.50 per share.

(ii) The total cash received in respect of the issue of all the said shares was $2,095,045.00.

(iii) Commissions and selling expenses with regard to the above shares totalled $419,009.00.

(j) Except for the Secured Promissory Note in the amount of $648,000.00 referred to in paragraph (g) hereof, there are no securities of the Company, other than shares, sold for cash or other consideration up to date hereof. As at date hereof, a Secured Promissory Note of the Company in the principal amount of $753,000.00 is to be sold to Canadoil Production Finance Ltd. for $677,700.00 as more particularly referred to in paragraph (n) hereof. Wainwright sold the Bonds referred to in paragraph (g) hereof for the consideration of $920,000.00, being a discount of 8% which discount was paid as a commission to H. C. Flood & Co. Limited, 360 St. James Street West, Montreal, Quebec, as underwriters.

(k) An aggregate of 575,000 shares of the Company have been issued to the original promoters of the Company. The basis for issuance of such shares was one share for every share sold to the public under the first permit issued by the Division of Corporations of the State of California being 375,000 shares and on the next 250,000 shares sold an additional 200,000 shares were granted the original promoters. On subsequent sales of shares to the public no further stock was issued to the original promoters.

(l) (i) The official designation and location of all properties owned, leased or held under option or intended to be acquired by the Company are the following:

(NOTE: the term "usual Crown royalty" as used in this Prospectus means the royalty payable to the Province of Alberta on crude petroleum running from 5% to 16⅔% of production computed on a sliding scale with the lowest rate applicable to monthly production of less than 600 barrels and the highest rate applicable to a monthly production of 4,050 barrels and over. These royalties went into force on June 1, 1951, under the terms of Order-in-Council No. O.C. 808-51 which states that they shall continue in force for a period of 10 years and thereafter until changed by Order of the Lieutenant-Governor in Council. As used in this prospectus the term "usual Crown royalty" except where otherwise indicated, also includes a finder's royalty of 1%); namely:—

1. Under an agreement between Wainwright, the subsidiary of the Company, having its head office at 44 King Street West, Toronto, Ontario, Western & Texas and the Company, the Company acquired from Wainwright a one-quarter interest in Crown Lease No. 94991 of the Province of Alberta, dated April 20, 1953, of the petroleum and natural gas within and under the North half of Section 22, Township 45, Range 6, West of the Fourth Meridian containing approximately 318 acres. The lease is for a term of 21 years from its date and is renewable. Rent is $1.00 per acre per annum. Production is subject to the usual Crown royalty. Wainwright retains a one-quarter interest and the remaining undivided one-half interest is retained by Western & Texas. By the various Indentures referred to in paragraph (n) hereof, this entire lease has been assigned to the Company, as operator, in trust for the aforesaid various interests.

2. The Company and Wainwright, its subsidiary, each hold an undivided one-half interest in all the petroleum and natural gas rights, in the Province of Alberta, including leases, sub-leases, farm out agreements and working interests and options to obtain same as set out below:

(A) By terms of a sub-lease dated June 5, 1951, Wain-Con Oils Limited with Head Office in Edmonton, Alberta, demised to the Company for $250.00 for a term of 21 years from December 4, 1944, and renewable under the terms of the head lease, Alberta Petroleum and Natural Gas Lease No. 70725, legal subdivisions 1, 2, 3, 4, 5, 6, 9, 10, 11, 12, 14, 15 and 16 of Section 20, Township 45, Range 6, West of the 4th Meridian, containing 520 acres, more or less. Sixteen commercial oil wells, having been drilled thereon, the Company became entitled to an absolute assignment of the said head lease and acquired same by assignment dated 31st August, 1955. Production is subject to royalties of the usual Crown royalty plus an overriding royalty of 5% to Wain-Con Oils Limited. The sixteen wells which have been drilled are also subject to a 6½% gross overriding royalty.

(B) Crown lease No. 76305 for a term of 21 years from November 10, 1949, and renewable so long as production continues was assigned to the Company by Lindsay Horace Meiklejohn, Allan Jackson and Frank J. Wesley, all of Edmonton, Alberta, for $640.00 covering the south half of Section 16, Township 45, Range 6, West of the 4th Meridian, containing 320 acres, more or less. Production is subject to royalties of the usual Crown royalty plus an overriding royalty to the assignors of 5% of petroleum to base of Cretaceous and 12½% below Cretaceous and plus 12½% of all natural gas from any horizon. One commercial oil well has been drilled.

(C) Farm out agreement between James E. Sims of Edmonton, Alberta, and the Company dated November 15, 1951, for a term of 5 years for $200.00 of legal subdivision 12 of Section 31, Township 45, Range 6, West of the 4th Meridian. Total acreage is 40, more or less. Production is subject to royalties of the usual Crown royalty plus a gross royalty to the said James E. Sims to be equal to the usual Crown royalty plus an additional royalty of 2½%.

(D) Farm out agreement dated September 20, 1951, between Canadian Oil Valley Co. Ltd. with Head Office at Edmonton, Alberta, and the Company covering legal subdivision 3 of Section 31, Township 45, Range 6, West of the 4th Meridian, containing 40 acres, more or less. Annual rental is $1.00 per acre until annual royalties reach $40.00. Production is subject to royalties of the usual Crown royalty plus a gross royalty to the said Canadian Oil Valley Co. Ltd. to be equal to the usual Crown royalty plus an additional royalty of 2½%. One commercial oil well has been drilled.

(E) Lease dated June 12, 1951, between Lillian Maud Palmer, of Vancouver, British Columbia, and William Glen Saffold of Edmonton, Alberta, and assigned by Saffold to the Company July 31, 1951, of South West quarter and West half of South East quarter of Section 21, Township 45, Range 6, West of the 4th Meridian. Total acreage is 240, more or less. Production is subject to a 13½% (in all) finder's and landowner's royalty plus additional royalty to the Assignor of 10% until $2,400.00 paid; there is no Crown royalty.

(F) Crown lease No. 90417 to the Company dated June 17, 1952, for a term of 21 years and renewable so long as production continues of legal subdivisions 10 and 16 of Section 15, Township 45, Range 6, West of the 4th Meridian, containing 80 acres, more or less. Annual rental is $1.00 per acre. Production is subject to the usual Crown royalty.

(G) Crown lease No. 90418 to the Company dated June 17, 1952, for a term of 21 years and renewable so long as production continues of legal subdivision 13 of Section 17, Township 45, Range 6, West of the 4th Meridian, containing 40 acres, more or less. Annual rental is $1.00 per acre. Production is subject to the usual Crown royalty. One commercial well has been drilled and is subject to an additional 6½% gross royalty.

(H) Sub-lease of lease No. 40C from Hudson's Bay Company with Head Office at Winnipeg, Manitoba, to Wainwright Petroleums Limited and dated February 29, 1952, of legal subdivision 6 of Section 30, Township 45, Range 6, West of the 4th Meridian, containing 40 acres, more or less. Production is subject to a royalty of 10% on the first well and 12½% on the other wells. In this instance the finder's royalty is ½ of 1% instead of 1% and no Crown royalty. Wainwright Petroleums No. 1 oil well (commercial) is already completed.

(I) Farm out agreement dated April 4, 1952, between Hudson's Bay Oil and Gas Company Limited with head office at Winnipeg, Manitoba, and the Company whereby the Company acquired leases of the petroleum and natural gas down to the base of the Lower Cretaceous formation. Production is subject to a gross royalty to the said Hudson's Bay Oil and Gas Company Limited of 10% if specific gravity is 23° (American Petroleum Institute) or less, 15% if greater than 23°. There is a finders' royalty of 1% but no Crown royalty. Hudson's Bay Oil and Gas Company has the right to purchase at cost a half interest in any well on their lease producing 30 or more barrels per day of 23° gravity oil. The agreement now comprises the following properties — all of which are now converted to sub-leases:—

BLOCK A:
Section 26; E.½ of Section 28; S.½ of Section 30 (excepting legal subdivisions 1 and 6); W.½ of Section 32; all of Township 45, Range 6, West of the 4th Meridian.

BLOCK B:
S.E.¼ of Section 14; Township 45, Range 7; West of the 4th Meridian.

BLOCK C:
Section 8; of Township 47, Range 5, West of the 4th Meridian.

Seven oil wells, all commercial, have been drilled and two commercial gas wells, one of which is dry, and the other of which is capable of commercially producing oil, both capped; (these nine wells are located on parts of Block A and of Block C — there are none on Block B).

(J) Crown Lease No. 79329 for a term of 21 years from May 18, 1950, and renewable so long as production continues was assigned by Imperial Oil Company with Head Office at Sarnia, Ontario, covering Section 11, Township 45, Range 7, West of the 4th Meridian, containing 640 acres, more or less. Annual rental is $1.00 per acre. Production is subject to the usual Crown royalty. In this instance, the finder's royalty is ½ of 1% instead of 1%.

(K) Lease dated November 7, 1952, between Albert Silas Maclellan, of Wainwright, Alberta, and the Company for $1,000.00 plus $100.00 per well for surface rights for North West quarter of Section 23, Township 45, Range 6, West of the 4th Meridian, containing 160 acres, more or less, for term of 21 years from date and so long thereafter as petroleum, etc., is produced. Production is subject to royalty to the said Albert Silas Maclellan of 10%, plus finder's royalty of 1%; but there is no Crown royalty. One commercial gas well has been drilled and capped.

(L) Sub-leases, dated October 8, 1952, and November 18th, 1953, respectively of a one-half interest of lease dated June 7, 1949, between Marguerite Brassard et al to Western & Texas having an office at Toronto, Ontario, for a term of 10 years less one day to May 10, 1959, and so long thereafter as production continues, of a part of Section 27, Township 45, Range 6, West of the 4th Meridian containing 180 acres more or less and comprising legal subdivisions 1, 2, 9, 10 and W.½ 13. Production is subject to royalty to the said Marguerite Brassard et al of 12½%. In this instance the finder's royalty is ½ of 1% instead of 1%; and there is no Crown royalty. Four commercial wells have been drilled. Two wells are presently being drilled.

(M) Farm out agreement dated December 22, 1951, between Imperial Oil Limited and the Company whereby in consideration of drilling a well to contract depth the Company may obtain a sub-lease in respect of petroleum and natural gas in the horizons down to the base of the Lower Cretaceous of the particular portion of the lands subject to the agreement, containing 1020 acres, more or less. Production is subject to the usual Crown (or landowner's) royalty plus overriding royalty to the said Imperial Oil Limited of 6¼% if specific gravity is under 23° (A.P.I.), 12½% if 23° (A.P.I.) or greater. In this instance the finder's royalty is ½ of 1% instead of 1%. Two commercial oil wells and one commercial gas well which is also capable of producing oil, have been drilled; Township 45, Range 6, West of the 4th Meridian, in the Province of Alberta,

S.W.¼ of Section 19;

Lsds. 2, 7 and 8 of Section 19;

N.½ of Section 17, excepting thereout Lsds. 13 and 15;

S.W.¼ of Section 23;

Lsds. 7 and 8 of Section 23;

Lsds. 13, 14 and part of 15 in Section 25;

S.E.¼ and N.W.¼ of Section 35.

(N) Farm out agreement dated March 4, 1953, between The California Standard Company having an office at Calgary, Alberta, and the Company whereby the Company acquired the right to drill for petroleum and natural gas down to the top of the Devonian formation upon payment of C.P.R. royalty of 6¼% and further 10% royalty to the said California Standard Company from each well until $5,000.00 paid on each well, on all of Section 7, Township 47, Range 5, West of the 4th Meridian (containing 644 acres, more or less) and all of Section 1, Township 47, Range 6, West of the 4th Meridian (containing 601 acres, more or less). In this instance the finder's royalty is ½ of 1% instead of 1% and there is no Crown royalty. One commercial oil well has been drilled.

(O) Lease dated June 17, 1953, from Baxter Lake Holding Company Limited, having an office at Edmonton, Alberta, to the Company of S.½ of S.E.¼ of Section 23, Township 45, Range 6, West of the 4th Meridian (containing 80 acres, more or less) and N.W.¼ of Section 13, Township 45, Range 6, West of the 4th Meridian (containing 160 acres, more or less) for 5 years from date and so long thereafter as production of oil or gas continues. Consideration $720.00 plus a royalty to the Lessor on production of 10%. There is also a 1% finder's royalty; but no Crown royalty. Surface rights subject to a rent of $1.00 per acre for the first year and $2.00 thereafter.

(P) Lease dated November 16, 1953, from aforesaid Wain-Con Oils Limited to the Company of the following lands:

(1) S.½ of Section 33, Township 45, Range 6, West of the 4th Meridian (containing 320 acres, more or less). Nine commercial wells have been drilled.

(2) N.½ of N.W.¼ of Section 25, Township 45, Range 7, West of the 4th Meridian (containing 80 acres, more or less).

(3) Section 9, Township 45, Range 6, West of the 4th Meridian (containing 640 acres, more or less).

(4) N.E.¼ of Section 23, Township 45, Range 6, West of the 4th Meridian (containing 156 acres, more or less) excepting thereout a certain 3 acres more particularly described and subject to certain agreements and conditions recorded in the Land Titles Office for the North Alberta Land Registration District.

Term is 10 years from date and as long thereafter as petroleum or gas is produced in commercial quantities. Consideration is $10,000.00 plus a rental of $12,000.00 payable by monthly payments of $2,000.00 commencing December 16, 1953, and a gross royalty to the Lessor of 12½% on all petroleum and gas produced and sold. Nine commercial oil wells have been drilled and all are subject to an additional 6½% gross royalty. There is also a 1% finder's royalty; but no Crown royalty.

(Q) Farm out dated November 30, 1953, from Western Homestead Oils Limited, with head office at Calgary, Alberta, to the Company of S.½ of Section 9, Township 45, Range 7, West of the 4th Meridian (containing 320 acres, more or less). Consideration $320.00 plus usual Crown royalty. A gross royalty to the said Western Homestead Oils Limited of 5% over Crown royalty is payable on all petroleum recovered. The Company is entitled to a sub-lease of the 20 acres in which each well drilled is located for the unexpired portion of the Crown lease, less one day.

(R) Sub-lease dated November 30, 1953, from aforesaid Western Homestead Oils Limited to Anoco of the S.W.¼ of Section 34, Township 45, Range 6, West of the 4th Meridian (containing 160 acres, more or less); consideration $960.00 plus usual Crown royalty. A gross royalty to the said Western Homestead Oils Limited of 5% over Crown royalty is payable on all petroleum recovered. One commercial gas well has been drilled.

(S) Farm out agreement dated 1st April, 1955, between Northwestern Utilities Limited, having an office at Edmonton, Alberta, and the Company whereby in consideration of the drilling of 4 test wells for petroleum and natural gas pursuant to the terms of the agreement the Company may obtain sub-leases in respect of petroleum and natural gas in all lands in the formations where commercial production is found. No rental is payable by the Company until production commences. Production is subject to landowner's royalties of 5% of petroleum if specific gravity 27° (A.P.I.) or less; 10% of petroleum if specific gravity over 27° (A.P.I.); and 5% on gas; plus 1% finder's royalty, but no Crown royalty. Production is also subject to overriding royalties to Northwestern Utilities Limited on Petroleum on a sliding scale of 7½% if production is 20 barrels a day or less, to 15% if production is in excess of 60 barrels per day; and on gas of 2½¢ per 1000 cubic feet or 15%, whichever is the greater. The following properties, all being west of the 4th Meridian, are subject to the agreement;

	Section	Township	Range	Acres
	19	45	7	640
	21	45	7	638.80
S.E. ¼	25	45	7	160
West ½	27	45	7	320
North ½	31	45	7	320
	33	45	7	640
North ½	35	45	7	319.20
	1	46	7	640
	3	46	7	640
	5	46	7	640
	7	46	7	640
	9	46	7	640
	13 except river	46	7	632.72
	15	46	7	640
	17	46	7	640
	19	46	7	640
	21	46	7	638
	23	46	7	636
	25	46	7	638
	27	46	7	638
	31	46	7	594
	33	46	7	592
	35	46	7	590

Section		Township	Range	Acres
	1	47	7	603
West ½	3	47	7	301
East ½	3	47	7	301
	9	47	7	644
	13 except 2 acres taken from N.W. ¼	47	7	642
	15	47	7	644
	17	47	7	644
	19	47	7	644
East ½	21	47	7	322
	23	47	7	640
West ½	25	47	7	322
N.E. ¼	27	47	7	160
West ½	31	47	7	321
N. ½ & S. W. ¼	33	47	7	481
	35	47	7	640
	3	47	8	602
	7	47	8	644
	15 except lake	47	8	630.60
	17	47	8	644
	19	47	8	642
	21 except 1 acre taken from N.E. ¼	47	8	643
	23	47	8	644
	25	47	8	644
W. ½	27	47	8	322
	31	47	8	642
N. ½	33	47	8	320
S. ½	33	47	8	322
				27,125.32

This farm out agreement with Northwestern Utilities Limited is not yet in effect but is still contemplated by the parties.

(ii) The names and addresses of all vendors of property purchased or intended to be purchased by the Company and the consideration paid and property purchased from each are all as set out respectively in sub-paragraph (i) of this paragraph.

(iii) No person or company has received or is to receive any interest in the shares or other consideration received or to be received by such vendors.

(m) (i) The means of access to the Company's properties is by highway and/or private road.

(ii) Underground exploration and development has been conducted by the drilling of wells by previous owners and studying of all available sub-surface data. There is no underground plant and equipment other than the conventional equipment used in the production of oil.

(iii) Surface plant and equipment consists of the usual equipment used in the production of oil, for which the Company and its subsidiary, Wainwright, have jointly expended, $391,984.99.

(iv) The Wainwright field was discovered in 1921 and a refinery created in 1929. During the depression years the development of the field was retarded. In 1951 the Company began to drill in the area and to date hereof has drilled forty-four commercial oil wells and five gas wells in the area, in which such wells Wainwright, the Company's subsidiary, has an undivided one-half interest to the extent referred to in paragraph (1) (i). Western & Texas has a ½ undivided interest in the four commercial oil wells referred to in paragraph (1) (i) (2) (M) and a 100% interest in 1 additional commercial oil well on another part of the Section 27 referred to in the said paragraph.

(v) The Company and its subsidiary, Wainwright, on a joint basis have spent $492,189.65 on drilling and exploration on the said properties.

(vi) A report of Joseph S. Irwin, Geologist, of Calgary, Alberta, dated 12 June, 1956, is attached hereto and sets out the estimate of remaining recoverable oil from the leaseholds and interests jointly owned by the Company and Wainwright in the Province of Alberta, as well as from the included interests owned by Western & Texas. The report deals separately, in paragraph No. 1 thereof, with the properties constituting the security for the securities being offered hereby.

(n) There are no securities covered by option agreements, sub-option agreements or sub-underwriting agreements outstanding or proposed to be given. The only securities covered by underwriting agreements outstanding or proposed to be given are the securities being offered by this prospectus and the Secured Promissory Note for $648,000.00 referred to in paragraph (g) hereof.

The securities offered by this prospectus are Seven Hundred and Fifty-Three (753) Canadoil Production Note Units, (Anoco Series B) fully registered and transferable, evidenced by Canadoil Production

Note Certificates, (Anoco Series B), (hereinafter called the "Production Note Certificates"), in the aggregate principal amount of $753,000.00 to be dated as of June 15, 1956, and Fifty Thousand (50,000) Canadoil Production Royalty Income Units, (Anoco Series B), evidenced by Canadoil Production Royalty Income Certificates (Anoco Series B), (hereinafter called the "Royalty Income Certificates"). The Production Note Units are being issued in denominations of $1,000.00 with interest at 5% per annum payable half-yearly and are secured by a promissory note of the Company in favour of Canadoil Production Finance Ltd. in the principal amount of $753,000.00. The said promissory note is payable eight years after date at a certain chartered bank, bears interest at 5% per annum and is dated June 15, 1956. The said promissory note has been assigned without recourse to The Toronto General Trusts Corporation as Trustee for the holders of the said Production Note Certificates pursuant to an Agreement dated as of June 15, 1956, and entitled "Canadoil Anoco Series B Production Note Agreement" (hereinafter called the "Note Agreement"). The said promissory note is secured by an Indenture of Mortgage from the Company to Canadoil Production Finance Ltd. dated as of June 15, 1956 (hereinafter called the "Anoco Indenture") of all the included interests in the properties acquired under the leases, sub-leases and agreements referred to and described in Schedule "A" of the said Anoco Indenture, including four existing commercial oil wells situate thereon (but excluding all present or future pipeline and machinery, equipment and terminal facilities ancillary thereto which are part of the local gathering system), as follows:

(i) Lsds. 1, 2, 3, 5, 6, 7, 8 of Section 16, Range 6, Township 45, West of 4th Meridian acquired under the Assignment from Lindsay Horace Meiklejohn, more particularly referred to in paragraph (1) (i) (2) (B) hereof.

(ii) Lsd. E.½ 14 of Section 17, Range 6, Township 45, West of 4th Meridian acquired under agreement with Imperial Oil Limited, more particularly referred to in paragraph (1) (i) (2) (M) hereof.

(iii) Lsds. W.½ 1, W.½ 5, 9, E.½ 15, 16 of Section 20, Range 6, Township 45, West of 4th Meridian acquired under sub-lease from Wain-Con Oils Limited, more particularly referred to in paragraph (1) (i) (2) (A) hereof.

(iv) Lsds. 9, 10, 11, 12, 13, 14, 15, 16 of Section 22, Range 6, Township 45, West of 4th Meridian acquired under assignment from Western & Texas and from Wainwright, more particularly referred to in paragraph (1) (i) (L) hereof.

(v) Lsds. 3, 5, 6, 11, 12, 13, 14 of Section 26, Range 6, Township 45, West of 4th Meridian acquired under sub-lease from Hudson's Bay Oil and Gas Company Limited, more particularly referred to in paragraph (1) (i) (2) (I) hereof.

(vi) Lsds. 1, 2, 7, 8, W.½ 9, W.½ 10, W.½ 15, E.½ 16 of Section 28, Range 6, Township 45, West of 4th Meridian acquired under sub-lease from Hudson's Bay Oil and Gas Company Limited, more particularly referred to in paragraph (1) (i) (2) (I) hereof.

(vii) Lsds. 7, 8 of Section 30, Range 6, Township 45, West of 4th Meridian acquired under sub-lease from Hudson's Bay Oil and Gas Company Limited, more particularly referred to in paragraph (1) (i) (2) (I) hereof.

(viii) Lsds. 3, E.½ 4, W.½ 4, 5, 6, 11, 12, 13, 14 of Section 32, Range 6, Township 45, West of 4th Meridian acquired under sub-lease from Hudson's Bay Oil and Gas Company Limited, more particularly referred to in paragraph (1) (i) (2) (I) hereof.

(ix) Lsd. 2 of Section 33, Range 6, Township 45, West of 4th Meridian acquired under a lease from Wain-Con Oils Limited, more particularly referred to in paragraph (1) (i) (2) (P) hereof.

The security constituted by the Anoco Indenture has been assigned by Canadoil Production Finance Ltd. under the said Note Agreement to The Toronto General Trusts Corporation as Trustee for the holders of the said Production Note Certificates.

The Anoco Indenture also provides for a gross overriding royalty payable by the Company of 5% of the current market value as defined in the Anoco Indenture of all the included interests in all crude oil, natural gas and related hydro carbons other than coal produced, saved and sold from all producing wells situated on the said properties. The said gross overriding royalty has been assigned by Canadoil Production Finance Ltd. to The Eastern Trust Company, as trustee for the holders of the said Royalty Income Certificates, pursuant to an Agreement dated the 15th day of June, 1956, entitled the "Canadoil Anoco Series B Royalty Trust Agreement" (hereinafter called the "Royalty Agreement").

Each of the said Production Note Certificates will entitle the holder to receive Royalty Income Certificates for 50 Royalty Income Units, in the aggregate, carrying the right to a fifty-fifty thousandth (50/50000) interest in the said 5% gross overriding royalty. The holders of the Royalty Income Certificates will be entitled to receive annual royalty payments for the life of any producing oil or natural gas wells drilled on the said properties.

The said Note Agreement and the Anoco Indenture provide for monthly payments by the Company as and by way of a Sinking Fund to the said Trustee of sums equal to $1.10 (should the price of crude oil fall below $1.60 per barrel, provision is made for downward adjustment of the said $1.10) per barrel of the oil produced during the previous calendar month from the included interests in all wells drilled under the terms of the Anoco Indenture. After deductions for interest and charges of the said Trustee, the remainder of the funds so provided will be applied by the said Trustee to the redemption of the said Production Note Units. The said Production Note Units will be drawn by lot on or about the 15th day of each calendar month in each year provided the said Trustee shall have $5,000.00 or more available for redemption purposes and as further provided in the Note Agreement.

In addition, the Company has assigned to Canadoil Production Finance Ltd. the promissory note of its subsidiary, Wainwright, in the principal amount of $376,500.00, the 5% gross overriding royalty given to the Company and all its interest in the Indenture of Mortgage made to the Company by its said subsidiary, particulars of which promissory note, gross overriding royalty and Indenture of Mortgage are set out in paragraph (u) hereof.

Further, the Company has assigned to Canadoil Production Finance Ltd. the assignable guarantee of Western & Texas in favour of Wainwright. The said guarantee is in the gross amount of $15,000.00 for each

producing well to be completed on North ½ of Section 22 of Range 6, Township 45, West of 4th Meridian pursuant to the program of drilling contemplated by the Anoco Indenture and is limited to a total maximum amount of $105,000.00. The said guarantee was given by Western & Texas to Wainwright by an Indenture of Mortgage from Western & Texas to Wainwright dated as of 15th June, 1956 (hereinafter called the "Western & Texas Indenture") and was assigned by Wainwright to the Company by the terms of an Indenture of Mortgage from Wainwright to the Company dated as of 15th June, 1956 (hereinafter called the "Wainwright Indenture").

In consideration of the above, Canadoil Production Finance Ltd. has agreed to procure for the Company the sum of $677,700.00 through the medium of the sale of the said Production Note Units. The proceeds of the sale of the said Production Note Units will be held by the said Trustee under the terms of the Note Agreement and may be withdrawn from time to time by the Company to the extent of $43,200.00 which is to be paid forthwith for the four existing producing wells located on the specifically mortgaged premises as referred to in sub-paragraph (i) hereof and at the rate of $27,000.00 for each additional producing whole well completed on the said properties when so certified by an independent geologist.

Subject to certain conditions, the Company and Wainwright have the right to substitute other producing wells for the aforementioned drill sites and shall be entitled to draw down moneys at the rate of $27,000.00 per producing whole well so substituted. Such substitution may only be made with the consent of Canadoil Production Finance Ltd. and upon certification by an independent geologist that the producing well so substituted is located on a site with equal or better reserves of recoverable oil than the site for which substitution has been made.

Under the provisions of the Anoco Indenture, the Wainwright Indenture and the Western & Texas Indenture it is stipulated that any one-half legal subdivision (½ Lsd.) on which no producing well is located which is subject to the terms and guarantees of the said Indentures will be released upon completion of the drilling program contemplated and the inclusion of not less than Twenty-Seven and One-Half wells under the Sinking Fund and Royalty requirements.

By an underwriting agreement dated June 15th, 1956, between Canadoil Production Finance Ltd. and H. C. Flood & Co. Limited, H. C. Flood & Co. Limited, 360 St. James Street West, Montreal, Quebec, has agreed on its own behalf, subject to the terms and conditions contained in the said agreement, to purchase on delivery $753,000.00 principal amount of the securities offered by this Prospectus at the price of $692,760.00 plus accrued interest to date of purchase, being a discount of 8%. The said securities are being offered for sale at the price of $960.00 for one Production Note Unit and Fifty Royalty Units in the Provinces of Alberta, New Brunswick, Nova Scotia, Ontario, Prince Edward Island and Quebec by H. C. Flood & Co. Limited or registered securities dealers. The names of all persons with a more than 5% interest in H. C. Flood & Co. Limited are H. C. Flood, T. C. Flood, B. O. Flood and J. C. Rogers.

(o) The proceeds of the current sale of securities are to be expended by the management of the Company in a joint venture with its subsidiary, Wainwright, and with Western & Texas in drilling wells under the sole and exclusive management and operation of the Company on the said properties referred to in paragraph (n) hereof.

(p) The Company has been incorporated for six years.

(q) No indebtedness is to be created or assumed, other than that mentioned above, which is not shown in the consolidated balance sheet dated as at March 31st, 1956, forming part of this Prospectus and to which express reference is hereby made.

(r) (i) The principal business in which each Director or Officer of the Company has been engaged and the name of the Company or firm with which he has been associated during the past 3 years are as follows:

Name	Business	Time	Position	Employer
Edgar Howe Stapper	Oil Executive	6 years	President	American Northland Oil Company, San Francisco, California.
Murray Ahura Schutz	Oil Executive	6 years	Executive Vice-President and Secretary	American Northland Oil Company, San Francisco, California.
Ernest Wilbur Davis	Warehousing	4 years	President	Standard Warehouse Company, Oakland, California.
Louis August Navone	Real Estate Investments	8 years	—	Self
George C. Barry Jr.	Insurance Broker	10 years	Partner	Barry, O'Neill & Diercks, Insurance Brokers, San Francisco, California.

(ii) No Director or Officers of the Company has ever had any interest in any property acquired by the Company.

(iii) The aggregate remuneration paid by the Company during the last financial year and estimated to be paid or payable during the current financial year to directors and officers is as follows:

Last Financial Year:—	Directors — $ Nil Officers — $10,200.00
Current Financial Year:—	Directors — $ Nil Officers — $ 9,600.00

(s) No dividends have been paid by the Company.

(t) No person or persons are in position or entitled to elect or to have elected a majority of the directors of the Company.

(u) Pursuant to the joint scheme of development mentioned in paragraph (o) hereof, the Company has received from its subsidiary, Wainwright, its promissory note in the principal amount of $376,500.00, payable on demand at a certain chartered bank with interest at 5% per annum payable half-yearly. In addition the Company has received from Wainwright the Wainwright Indenture dated as of June 15, 1956, whereby Wainwright has granted and mortgaged to the Company all its interest in the properties referred to in paragraph (n) hereof, including the four existing commercial oil wells (but excluding all present or future pipeline, machinery, equipment and terminal facilities ancillary thereto which are part of the local gathering system) and its interest in the production therefrom.

The Company has also received from Wainwright under the terms of said Wainwright Indenture a gross overriding royalty of 5% of the current market value as defined in the said Wainwright Indenture of all Wainwright's interest in all crude oil, natural gas and related hydrocarbons other than coal produced, saved and sold from any well situate on the properties mortgaged thereunder.

The said Wainwright Indenture also provides for the payment to the Company by Wainwright from time to time of sums sufficient for Wainwright to take and pay for all the crude oil production from the included interests in all producing wells situated on the properties mortgaged thereunder at the posted market price as defined in the said Wainwright Indenture.

Pursuant to the same joint scheme of development, Wainwright has received from Western & Texas the Western & Texas Indenture dated as of June 15, 1956, whereby Western & Texas has granted and mortgaged to Wainwright all of its interest in the North ½ of Section 22, Range 6, Township 45, West of 4th Meridian (but excluding all present or future pipeline, machinery, equipment and terminal facilities ancillary thereto which are part of the local gathering system), and its interest in the production therefrom. By its terms the Western & Texas Indenture is assignable and Wainwright has assigned its interest therein to the Company under the terms of the Wainwright Indenture. The Western & Texas Indenture also provides for the guarantee of Western & Texas, with respect to the aforesaid joint scheme of development, up to a maximum of $105,000.00; this maximum being computed at the gross rate of $15,000.00 for each well to be drilled (to a maximum of seven wells) on properties covered by the included interests and in which Western & Texas has or may have an interest. Wainwright having assigned this guarantee to Anoco under the terms of the Wainwright Indenture and Wainwright and Anoco having otherwise equal interests in the aforesaid joint scheme of development, the Western & Texas guarantee, under the provisions of the pertinent Indentures, accrues equally to the benefit of Wainwright and of Anoco.

(v) The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), Section 13 of the Securities Frauds Prevention Act (New Brunswick) and Section 53 of an Act Respecting Securities (Quebec) and there is no further material information applicable other than in the financial statements or reports where required.

Signed — Directors

M. A. SCHUTZ

EDGAR H. STAPPER
per his agent M. A. SCHUTZ

E. W. DAVIS
per his agent M. A. SCHUTZ

L. A. NAVONE
per his agent M. A. SCHUTZ

G. C. BARRY JR.
per his agent M. A. SCHUTZ

Promoter — CANADOIL PRODUCTION FINANCE LTD.

By JOHN CHARLES ROGERS
President

By T. P. HOWARD
Secretary

(w) To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), Section 13 of the Securities Frauds Prevention Act (New Brunswick) and Section 53 of an Act Respecting Securities (Quebec) and there is no further material information applicable other than in the financial statements or reports where required. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

H. C. FLOOD & CO. LIMITED

By G. T. HOWARD — Secretary-Treasurer

By R. A. OSMOND — Assistant Treasurer

Dated June 15, 1956.

Advance Memorandum

5% CANADOIL PRODUCTION NOTE CERTIFICATES
ANOCO SERIES A

Dated June 15, 1955 Maturing June 15, 1963

Denominations: $1,000 in fully registered form.

Price: 100 and accrued interest. Price includes bonus of One Canadoil Production Royalty Income Unit with each $1,000 Note Certificate.

The Company

Canadoil Production Finance Ltd. was formed to provide funds for the development of proven oil reserves. Under present conditions oil companies in Canada may secure inexpensive production loans from the chartered banks if the rate of repayment meets the bank's requirements which are usually three years or less. Alternative arrangements can be made with other oil companies, but these generally involve the giving away of a substantial share of the reserves in one form or another. Canadoil's purpose is to provide a type of secondary banking and fill the gap between these extremes by furnishing funds at standard interest rates in return for a reasonable royalty on future production.

In the United States, oil production loans enjoy a very high security rating, but they are relatively new to Canada.

Anoco Series A

A merican Northland Oil Company, a California corporation with interests in several Alberta fields, together with its subsidiary Wainwright Producers & Refiners Limited, has over 6,000,000 barrels of proven oil reserves at Wainwright, Alberta. They have some 25 wells in production, but need to drill many more to meet the requirements of their new refinery at Wainwright. This is on the main line of the C.N.R. and furnishes the railroad with diesel and fuel oil and also produces a wide range of petroleum products from gasoline through to asphalt.

In the Wainwright field the average production per well is approximately 20 barrels a day. The oil brings $1.50 per barrel, but after royalties and production costs it is impractical to set aside more than 90¢ a barrel for interest and debt retirement. The indicated 5 to 6 year repayment period is too long for the chartered banks, but ideal for private investors.

To finance a 20 well drilling program, Canadoil has purchased from Anoco a $648,000 Secured Promissory Note. This has been assigned to The Toronto General Trusts Corporation, as Trustee, unitized and offered to investors together with the Royalty Units described below.

Security

The entire net proceeds of this offering are deposited with The Toronto General Trusts Corporation, who will release funds to Anoco only on the security of wells certified as producers by an independent geologist. It is provided that $69,120 shall be released forthwith against 4 presently producing wells (319,148 net barrels of recoverable oil remaining) and $27,000 per well as subsequent wells are certified as producers and placed under the terms of the Indenture. Thus no money is released against dry holes or unproductive wells. Furthermore, regardless of the cost of completing a well, no more than $27,000 may be drawn against it.

Repayment

Anoco must make monthly production payments to the Trustee. These range from a minimum of 60¢ per barrel with oil at $1.10 or less to a maximum of 90¢ per barrel with oil at $1.40 or more. The present price is $1.50 and in view of the heavy demand for asphalt based crude of the Wainwright type, it is anticipated that the price will be maintained or increased.

From the monthly repayments so received, the Trust Company pays expenses and interest charges and sets aside the remaining funds for redemption of the Note Certificates. On or about the 15th of each month in which at least $5,000 is available for the purpose, Note Certificates will be drawn by lot and paid off at face value of $1,000 each.

It is presently estimated that at least $10,000 of Note Certificates will be redeemed each month once the drilling program has been completed. This should take from 5 to 6 months.

Royalty Income Units

In connection with this financing, Canadoil has received a 6½% gross overriding royalty on all production from wells placed under the terms of the Indenture. This includes the 4 presently producing wells and the 20 wells proposed to be drilled. This royalty has been assigned to The Eastern Trust Company, as Trustee, and divided into 850 units. One unit accompanies each $1,000 Production Note Certificate when originally offered.

The oil companies are required to make monthly payments to The Eastern Trust Company who will accumulate this revenue, deduct charges and expenses and remit the balance annually to the unitholders. It is planned that payments will be made in December of each year with the first payment on or about December 15,1955.

If the wells to be drilled achieve the anticipated average of 20 barrels per well per day it can be estimated that approximately $17.50 per year will be available for each Royalty Unit. The Royalty interest will continue over the life of the wells - that is to say, as long as they remain commercially productive. Certain wells in the area are still producing after 26 years.

The Royalty Units are in fully registered form and are transferable. It is expected that there will be a ready market for them at all times.

Summary and Conclusion

1.- No money released by the Trust Company except on certification of a producing well;

2.- Contract with the refinery to take all production for a period of 10 years or until the Note Certificates are redeemed, whichever shall be the longer;

3.- 5% interest on the Notes plus an indicated $17.50 annual income from the Royalty Units making an indicated yield of 6¾% on a $1,000 investment;

4.- Royalty Income subject to 20% depletion allowance for Income Tax purposes;

5.- Monthly drawing of Note Certificates for redemption which should provide a strong secondary market;

6.- Investors left with Royalty Units at no cost after Note Certificates redeemed;

7.- Issue secured by obligation of two oil companies and direct charge against 24 wells with an estimated 1,700,000 barrels of net recoverable oil.

Retirement

Amoco must make monthly production payments to the Trustee. These range from a minimum of 50¢ per barrel with oil at $.10 or less to a maximum of 90¢ per barrel with oil at $1.40 or more. The present price is $1.50 and in view of the heavy demand for asphalt based crude of the Whitcraft type, it is anticipated that the price will be maintained or increased.

From the monthly repayments so received, the Trust Company pays expenses and interest charges and sets aside the remaining funds for redemption of the Note Certificates. On or about the 15th of each month in which at least $5,000 is available for the purpose, Note Certificates will be drawn by lot and paid off at face value of $1,000 each.

It is presently estimated that at least $20,000 of Note Certificates will be redeemed each month once the drilling program has been completed. This should take from 3 to 6 months.

Royalty Trust Units

In connection with this financing, Comanoil has received a 6¾% gross overriding royalty on all production from wells placed under the terms of the Indenture. This includes the 4 presently producing wells and the 20 wells proposed to be drilled. This royalty has been assigned to The Eastern Trust Company, as Trustee, and divided into 850 units. One unit accompanies each $1,000 Production Note Certificate when originally offered.

The oil companies are required to make monthly payments to The Eastern Trust Company who will accumulate this revenue, deduct charges and expenses and remit the balance annually to the unitholders. It is planned that payments will be made in December of each year with the first payment on or about December 15, 1959.

If the wells to be drilled achieve the anticipated average of 20 barrels per well per day, it can be estimated that approximately $17.50 per year will be available for each Royalty Unit. The Royalty interest will continue over the life of the wells — that is to say, so long as they remain commercially productive. Certain wells in the area are still producing after 25 years.

The Royalty Units are in fully registered form and are transferable. It is expected that there will be a ready market for them at all times.

Summary of Investment

1.- No money released by the Trust Company except on certification of a producing well;

2.- Contract with the refinery to take all production for a period of 10 years or until the Note Certificates are redeemed, whichever shall be the longer;

3.- 5% interest on the Notes plus an indicated $17.50 annual income from the Royalty Units making an indicated yield of 6¾% on a $1,000 investment;

4.- Royalty income subject to 20% depletion allowance for Income Tax purposes;

5.- Monthly drawing of Note Certificates for redemption which should provide a steady secondary market;

6.- Investors left with Royalty Units at no cost after Note Certificates redeemed;

7.- Issue secured by obligation of two oil companies and direct charge against 24 wells with an estimated 1,700,000 barrels of net recoverable oil.